ADB

AGRICULTURAL DEVELOPMENT BANK

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Annual Report & Financial Statements 2011

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2011 Annual Report & Financial Statements

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Board of Directors, Officials and Registered Office

BOARD OF DIRECTORS	Alhaji Ibrahim Adam	-	Chairman
	Mr. Stephen Kpordzih	-	Managing Director
	Mr. Paul Agyiri	-	Executive Director
	Dr. S. K. Dapaah	-	Non-Executive Director
	Dr. Johnson Asiama	-	Non-Executive Director
	Ms. Nancy Ampofo	-	Non-Executive Director
	Major M. S. Tara	-	Non-Executive Director
	Mrs. Esther Kumado	-	Non-Executive Director
BOARD COMMITTEE			
Audit & Compliance Committee	Dr. S. K. Dapaah	-	Chairman
	Major M. S. Tara	-	Member
	Dr. Johnson Asiama	-	Member
	Mrs. Esther Kumado	-	Member
Governance & Risk Management	Dr. Johnson Asiama	-	Chairman
	Dr. S. K. Dapaah	-	Member
	Mrs. Esther Kumado	-	Member
	Ms. Nancy Ampofo	-	Member
Loans and Advances Committee	Dr. Johnson Asiama	-	Chairman
	Mrs. Esther Kumado	-	Member
	Major M. S. Tara	-	Member
	Mr. Stephen Kpordzih	-	Member
	Mr. Paul Agyiri	-	Member
Human Resources	Alhaji Ibrahim Adam	-	Chairman
	Mr. Stephen Kpordzih	-	Member
	Mrs. Esther Kumado	-	Member
	Ms. Nancy Ampofo	-	Member
COMPANY SECRETARY	Mr. James K. Agbedor ADB House, 37 Independence Avenue Accra		
REGISTERED OFFICE	ADB House, 37 Indpendence Avenue PO Box 4191 Accra		
AUDITORS	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P O Box GP 242 Accra		

ADB
AGRICULTURAL DEVELOPMENT BANK
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Board of Directors

1
Alhaji Ibrahim Adam

2
Mr. Stephen Kpordzih

3
Mr. Paul Agyiri

4
Ms. Nancy Ampofo

5
Dr. S. K. Dapaah

6
Dr. Johnson Asiama

7
Mrs. Esther Kumado

8
Major M. S. Tara

9
Mr. James K. Agbedor

Profile of Directors

1- Ibrahim ADAM (Chairman)
Alhaji Ibrahim Adam holds a B.Sc (Hons) Agric Degree from the Kwame Nkrumah University of Science and Technology. He has attended several short courses on rice production, administration and management. The list includes WARDA (Monrovia), IITA (Ibadan, Nigeria), Ghana Institute of Management and Public Administration (GIMPA). Others are EDI (Maastricht) and Feldafing (Germany). Mr. Adam served in government for several years between 1984 and 2001. He was PNDC Under-Secretary for Agriculture (Northern Region) between 1984 and 1985 before becoming the PNDC Deputy Secretary for Agriculture (Crops). He was promoted to the PNDC Secretary for Agriculture in 1992. At the beginning of the Fourth Republic in 1993, he first served as the Minister of Food and Agriculture until 1996 when he was made the Minister of Trade. Mr. Adam is currently the CEO of Brada Ventures and was appointed the Chairman of the Board on 26th June 2009.

2 - Stephen KPORDZIH (Executive Director)
Mr. Kpordzih holds an MBA (Finance) from University of Leicester, UK, and a Post-Graduate Certificate-Strategic Bank Management from Odense Business School, Denmark. He has to his record immense banking experience and consultancy assignments with leading banks, including preparation of a paper on Financing Rural Agriculture in Ghana as part of the Government's Compact Programme for accessing the US$547 million Millennium Challenge Account. He also developed feasibility reports for the establishment of non-bank financial institutions. One-time lecturer in Finance of International Trade at the Chartered Institute of Bankers, Ghana, a resource person in Treasury Management at the Ghana Banking College, and an Honoured Member of the International Who's Who of Professionals for his achievements in and contribution to banking, Mr. Kpordzih took office as the Managing Director of the Bank in August 2009.

3 - Paul O. AGYIRI (Executive Director)
Mr. Agyiri holds a Bachelor Laws Degree from the University of Ghana, Legon and a Professional Qualifying Certificate in Law from the Ghana School of Law. He served in the Attorney-General's Department between 1978 and 1984. Between 1984 and 1991, he engaged in private consultancy practice with Maxwell & Maxwell Law Offices, Liberia and took the position of Director of Legal Services of the West African Examinations Council, Head Office. He joined the Bank as Chief Legal Advisor in 1991. Between June 2003 and July 2005, Mr. Agyiri was seconded to the Ministry of Finance & Economic Planning as Chief Director, returning to the Bank to resume his position as Solicitor.

4 - Nancy Dakwa AMPOFO (Non-Executive Director)
A Notary Public, Solicitor and Barrister, Ms. Ampofo graduated from the University of Ghana in 1979 with a B. A. (Combined) Degree in Law (with Political Science). She obtained a Professional Law Qualifying Certificate in 1981 from the Ghana Law School and was called to the Ghana Bar on 20th November 1981. Ms. Ampofo has had a track record and expertise in legal consultancy acquired through undertaking legal work for the public and private sector institutions, as well as individuals and multinationals. Ms. Ampofo founded her own legal firm, N. D. Ampofo Associates in 2000 and has been offering legal consultancy services to both local and international clients in all areas of the law. She was appointed as Director of the Bank in June 2009.

5 - Dr. Samuel K. DAPAAH (Non-Executive Director)
Dr. Dapaah has had a long professional experience in Agricultural Policy and Public Administration, Teaching, Research and Management. He graduated from the University of Ghana, Legon with a B.Sc. (Hons) Agriculture Degree in June 1972 and proceeded to the University of Guelph, Canada where he graduated with an M.Sc. Agricultural Economics Degree in February 1975 and Ph.D. Agricultural Economics Degree in February 1982. He returned to the University of Ghana, Legon as a Research Fellow at the Institute of Statistical, Social and Economic Research (ISSER) and Lecturer at the Department of Economics and Department of Agricultural Economics. Dr. Dapaah served in the Ministry of Food and Agriculture, first, as Director of Policy, Planning, Monitoring and Evaluation between 1986 and 1992, and as Chief Technical Advisor and Chief Director between 1993 and 2001. A member of the Board between 1993 and 2001, Dr. Dapaah was reappointed as Director in June 2009.

6 - Dr. Johnson P. ASIAMAH (Non-Executive Director)
Dr. Asiamah is the Chief Manager, Research Department of the Bank of Ghana. He holds a B.A. (Hons) Degree in Economics with Statistics and an M.Phil. (Economics) issued by the University of Ghana in 1993 and 1996 respectively, and a Ph.D. (Economics) Degree from the University of Southampton, England, United Kingdom in 2005. With a host of publications and conference presentations to his record, Dr. Asiamah was appointed to the Board of the Bank in June 2009.

7 - Mrs. Esther KUMADO (Non-Executive Director)
Mrs Esther Kumado holds a BA (Hons) Degree and a Qualifying Certificate in Law (QCL) from the University of Ghana, and a Professional Diploma in Law issued by the Ghana Law School. She is a member of the Ghana Bar Association and International Bar Association, as well as being a Member of the Governing Body of the Financial Intelligence Centre (FIC). Mrs Kumado is currently the Head of the Legal Department of Bank of Ghana and represents the Financial Investment Trust (a subsidiary of the Bank of Ghana) on the Board.

8 - Major Mahama S. TARA (Rtd) (Non-Executive Director)
Major Tara (Rtd), a Chartered Management Accountant (ACMA) also holds a BSc Administration (Accounting Option) Degree from the University of Ghana. His rich experience in the public sector has included serving as Director of Finance and Administration of the Ghana Tourist Development Company Ltd., Director of Finance of the then Architectural and Engineering Services Corporation, and a Deputy Controller & Accountant-General. At the Ministry of Finance & Economic Planning, Major Tara (Rtd) had previously served at intervals as Director of Budgets and Acting Chief Director. Among his achievements, he headed the Technical Team that re-organized the Budgeting and Public Expenditure Management System within the Government machinery and introduced the Medium Term Expenditure Framework (MTEF) as the model for Governmental Accounting. He was appointed to the Board in June 2009.

9 - James K. AGBEDOR (Secretary)
Mr. Agbedor holds the Bachelor-of-Laws Degree from the University of Ghana and a Professional Law Certificate from the Ghana School of Law. He joined the Bank in 1985 as a Legal Officer and is currently the Solicitor & Head-General Counsel of the Bank. He was appointed Secretary to the Board in 2006.

Financial Highlights

	The Group		The Bank	
	2011	2010	2011	2010
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
At 31 December				
Total assets	**1,213,671**	968,199	**1,205,757**	964,503
Loans and advances to customers (net)	**678,747**	576,987	**678,747**	576,987
Customer deposits	**827,718**	536,079	**827,718**	536,079
Shareholders' equity	**181,707**	106,353	**176,164**	106,279
For the year ended 31 December				
Profit before tax	**51,113**	12,763	**45,903**	12,265
Profit after tax	**48,557**	12,118	**43,608**	11,652
Dividend per share (Ghana cedis)	**-**	0.39	**-**	0.39
Earnings per share (Ghana cedis):				
- Basic	**1.942**	0.485	**1.744**	0.466
- Diluted	**1.942**	0.485	**1.744**	0.466
Return on average equity (%)	**33.7**	10.6	**30.9**	10.2
Return on average assets (%)	**4.5**	1.4	**4.0**	1.4
At 31 December				
Number of staff	**1,345**	1,168	**1,345**	1,168
Number of branches	**76**	65	**76**	65

Chairman`s Statement – 2011

It is my greatest pleasure to present to you, the Annual Report and the financial results of your Bank for the year ended 31st December 2011.

1. World Economy

Global output for 2011 showed growth of 3.8% compared to 5.2% recorded in 2010 per IMF estimates. This was powered by 1.6% growth in the advanced economies while the emerging economies and Sub-Saharan Africa recorded 6.2% and 4.9% respectively. Developed countries' economies are expected to expand by only 1.6% due to shaky consumer confidence, fiscal tightening and a formidable debt overhang especially in Europe. This marked a decline in the 2010 economic growth performances of 3.2% for the advanced economies and the respective 7.3% and 5.3% for both the emerging economies and Sub-Saharan Africa.

Crude oil price began the year 2011 at USD92 per barrel and was generally stable but peaked at USD124 per barrel in May 2011 before receding to USD103 per barrel at the end of 2011.

Gold price recorded steady increases from USD1,386 per ounce at the end of 2010 to the highest of USD 1,900 per ounce in September 2011. However, it ended the year at USD1,599 per ounce. Cocoa price remained very high in the first half of the year and rose from USD2,951 per ton at the end of 2010 to USD3,654 per ton in March 2011. Most of the gains were however eroded as the year ended at the price of USD2,101 per ton.

2. Domestic Economy

Provisional real GDP growth was 13.6% and was below the projected target of 14.4% for 2011. This was however higher than the real GDP growth of 7.7% recorded in 2010. Government's fiscal stability and consolidation policies were on course. Fiscal deficit rose to GH¢2.1 billion compared to GH¢1.7 billion in 2010 but was within the budgeted deficit of GH¢2.4 billion.

The current account deficit widened from USD2.1 billion in December 2010 to USD3.1 billion in December 2011. This led to a decline in the overall balance of payments surplus from USD1.5 billion to USD546.5 million. However, the gross external reserves position increased from USD4.7 billion in 2010 to USD5.4 billion in December 2011.

The Cedi depreciated against the major currencies in 2011 showing a decline of 8.3%, 7.9 % and 5.3% respectively for the USD, GBP and the EURO. Inflation rose marginally to 9.1% in February 2011 but eased thereafter and generally remained a single digit ending the year at 8.6%. The year 2011 opened with the Bank of Ghana Prime Rate at 13.5%. Two successive cuts in the year brought the rate to 12.5% at the end of the year 2011.

3. Financial Performance

Both the external and domestic economic conditions outlined above greatly affected the performance of the Bank in 2011.

Net Profit after the National Stabilization Levy for 2011 was GH¢48.6 million and was over 300% above the restated amount of GH¢12.1 million recorded for 2010. Profit was restated to enable the Bank prudently make provision for certain long outstanding item in its books dating back to 2002 and to provide it with a clean bill of health to pursue its operations. The Bank wrote back provisions totaling GH¢7.6 million as a result of the improving conditions of its credit portfolio. We will continue to prudently review the credit portfolio to prevent potential deterioration in the assets and the negative consequences of its impact on profitability and strength of the Bank's balance sheet.

The balance sheet showed significant growth in the financial year 2011. Total assets grew by 25.4% from the restated amount of GH¢968.2 million at the end of December 2010 to GH¢1,213.7 million at year end

Chairman`s Statement (Cont`d)

December 2011. This was funded mainly from the increase in deposits mobilized from GH¢536.1 million to GH¢827.7 million - a growth of 54.4%. Shareholders' Funds also went up by 70.9% from GH¢106.4 million at the end of December 2010 to GH¢181.7 million at the end of December 2011.

4. Financing to Agriculture Sector

The Bank increased its credit disbursements to various productive agricultural projects totaling GH¢141.7 million, in excess of the GH¢100.1 million recorded in 2010. This represented 41.6 % increase. Financing of agro-processing was predominant as it amounted to GH¢84.5 million. Total credit to the agriculture sector at the end of December 2011 stood at GH¢190.8 million and this constituted 27.4% of the total credit portfolio. This marked an increase of GH¢50.3 million or 35.8% in the December 2010 position of GH¢140.5 million.

5. Update on Strategic Plan 2010 – 2012

The Bank set its vision to be among the top 3 performing banks in Ghana by 2012, balancing market orientation with a development focus on agriculture and more. Key initiatives so far implemented included improving service delivery, rolling out new products and services, and introducing new channels for sales. The year 2011 saw further expansion in our branch network and consolidation of our earlier strategic initiatives. We successfully implemented our new IT operating system which has enabled the Bank to cope with expansion of service and product delivery and enhanced its competitive position in the Ghanaian banking industry.

6. Outlook for 2012

We look forward to a promising but challenging prospects as the world economy is expected to register a growth of 3.3% while the domestic Ghanaian economy faces challenges of an election year. However, we remain optimistic that Government spending in key sectors of the economy especially Agriculture and infrastructure, will provide the necessary expansion in economic activities which the Bank can take advantage of and expand its business operations.

7. Conclusion

I take the opportunity on behalf of the Board to congratulate the shareholders and customers for their continued loyalty and support during the past year. I also thank Management and staff for their hard work and commitment to duty and wish all stakeholders a successful Year 2012.

ALHAJI IBRAHIM ADAM
BOARD CHAIRMAN

Executive Management


Mr. Stephen Kpordzih
Managing Director

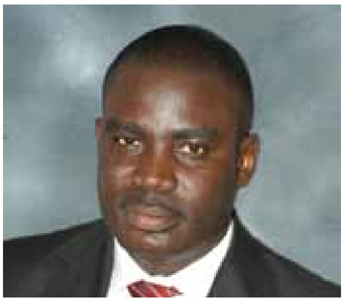

Mr. Paul Agyiri
Executive Director


James K. Agbedor
Board Secretary and General Counsel


Abdul-Samed Iddrisu
Executive Head - Transaction Banking and Technology


Adam Sulley
Executive Head-Retail Banking


Akwelley Adoley Bulley
Executive Head - Human Resources


Bernard Appiah Gyebi
Executive Head - Credit Risk Management


Edward Ian Armah-Mensah
Executive Head-Corporate Banking


George Baah Danquah
Treasurer


James Baidoo Sagoe
Executive Head-Finance & Planning


S. N. S. Abbey
Executive Head-Operations

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Profile Of Executive Management

Mr. Stephen Kpordzih – Managing Director
Appointed Managing Director in August 2009, he holds an MBA (Finance) from University of Leicester, UK, and a Post-Graduate Certificate - Strategic Bank Management from Odense Business School, Denmark. His banking career spanned BBG, GCB and Stanbic Bank. One-time lecturer in Finance of International Trade at the Chartered Institute of Bankers, Ghana, and a resource person in Treasury Management at the Ghana Banking College, he is an Honoured Member of the International Who's Who of Professionals for his achievements in and contribution to banking.

Mr. Paul Agyiri - Executive Director
He holds a Bachelor of Laws Degree from the University of Ghana, Legon and a Professional Qualifying Certificate in Law from the Ghana School of Law. After considerable legal practice in the Attorney-General's Department and WAEC, and private consultancy practice in Liberia, he first joined ADB in 1991 as Chief Legal Advisor. He is currently the Executive Director of the Bank.

James K. Agbedor -- Board Secretary and General Counsel
He holds a Bachelor-of-Laws Degree from the University of Ghana and a Professional Law Certificate from the Ghana School of Law. He joined the Bank in 1985 as a Legal Officer and worked up the ladder until he was appointed Secretary to the Board in 2006. He is also the General Counsel of the Bank.

Abdul-Samed Iddrisu - Executive Head-Transaction Banking and Technology
He was previously Director of Business Solutions and then Director of Transaction Banking at Fidelity Bank. Prior to that, he was Head of IT at Stanbic Bank and First Atlantic Merchant Bank, and Systems Analyst/ Programmer of the Volta River Authority. He holds a Bachelor of Science degree in Computer Science from the University of Science and Technology.

Adam Sulley - Executive Head-Retail Banking
He holds a B.Sc. in Industrial Management from the University of Petroleum and Minerals (Saudi Arabia), M.Sc. in International Business from South Bank University (UK), Dip M and MCIM of the Chartered Institute of Marketing (UK). He was the immediate past Chairman of the Chartered Institute of Marketing (UK), Ghana Branch and also a former member of the Governing Council of CIMG. He is a panel member of the National Accreditation Board (NAB) and an external examiner to the National Board for Polytechnic and Technical Examination Council (NABPTEX).

Akwelley Adoley Bulley – Executive Head-Human Resources
She joined ADB from Millicom Ghana Limited (TIGO) where she was the Head of Human Resources. Prior to that, she was the Human Resource Manager at Holiday Inn, Accra Airport, and Employee Relations Manager and later Human Resource Manager of Cadbury Ghana Limited. She holds an MA Degree in Employment Studies from London Metropolitan University and a BA Degree in Psychology with Linguistics from University of Ghana.

Bernard Appiah Gyebi - Executive Head-Credit Risk Management
He joined ADB from Stanbic Bank Ghana Limited where he was the Head of Credit. Earlier at Barclays Bank, he served in various capacities as Corporate Credit Manager, Compliance Officer/Executive Assistant to the Managing Director, and Head of Corporate Credit.

Edward Ian Armah-Mensah - Executive Head-Corporate Banking
He joined ADB from Barclays Bank Ghana Limited where he was Head of SME (Medium Unit). He had earlier worked at Stanbic Bank as an Account Relationship Manager and Credit and Marketing Manager at NDK Financial Services Limited. He holds an Executive Masters in Business Administration (Finance Option) and a Bachelor of Science in Business Administration.

George Baah-Danquah - Treasurer
He joined ADB from Access Bank Ghana Limited where he was Head of Treasury. Prior to that, he occupied various positions in the Finance Department, Treasury Department, and the Global Markets Department of Stanbic Bank. He holds a Masters Degree in Business Administration and a Bachelor of Science in Business Administration.

James Baidoo Sagoe - Executive Head-Finance & Planning
He joined ADB from Merchant Bank Ghana Limited where he was the Corporate Development Analyst and Financial Controller. Earlier at VALCO, he served as Planning & Financial Analyst and Chief Accountant. Mr. Sagoe is a Chartered Accountant and holds an Executive Masters in Business Administration from University of Ghana Business School.

S. N. S. Abbey – Executive Head-Operations
He holds BSc (Hons) Degree in Agriculture from the University of Ghana. He joined ADB in 1977 and has occupied various positions. He was made Co-Manager of the Business Blue Print and the MicroBanker banking software implementation projects, and Project Manager for the Flexcube banking application implementation project.

Review Of 2011 Operations By Managing Director

Introduction

The Agricultural Development Bank consolidated the implementation of its key strategic initiatives during year 2011. Though the year was challenging, the Bank made some impressive gains and put the achievements of its three year strategic objectives in focus.

Strategic Initiatives

The Bank continued the pursuit of its agenda of positioning itself properly in the Ghanaian banking industry. The following key strategies were implemented: increased mobilization and expansion in deposits, opening of new branches, installation of a new Flexcube UBS System and improvement in staff conditions of service.

Business Growth

Total assets grew by 25.4% from GH¢968.2 million in 2010 to GH¢1,213.7 million in December 2011. This was mainly on account of increases in loans and advances and investment in securities. Total loans and advances (net) recorded an increase of 17.6% from GH¢577.0 million at the end of December 2010 to GH¢678.8 million. This constituted 55.9% of total assets. Similarly, investment in Government securities rose by 26.3% from GH¢165.9 million to GH¢209.5 million. The assets were funded mainly from deposits and borrowings. Total deposits grew by 54.4% from GH¢536.1 million at the end of December 2010 to GH¢827.7 million at the end of 2011. This constituted 80.2% of total liabilities. However, borrowings which formed 15.6% of total liabilities declined by 27.1% from GH¢221.4 million to GH¢161.4 million.

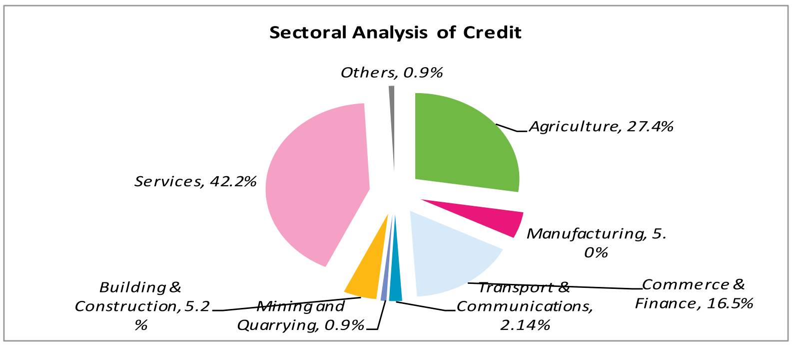
Branch Expansion

The bank continued its branch network expansion programme during the year. Ten new branches were opened and these included Nima, Danquah Circle, Kasoa in Accra, Agona Nkwanta, Bole, Buipe, Tamale Kaladan, Tumu, Kade and Asiakwa. These increased the Bank's branch network to seventy six at the end of the year 2011. Additionally, three Executive Banking Units were set up one each at Accra, Kumasi and Tamale.

Funding for Agriculture and Allied Sectors

Credit to the agriculture and allied sectors amounted to GH¢190.8 million and represented 27.4% share of the credit portfolio as at the end of 2011 as against the 29.0% recorded in December 2010. Total new lending to the sector amounted to GH¢141.7 million in 2011. This showed an increase of 41.6% in the total disbursements of GH¢100.1 million recorded in 2010.

Agro-processing dominated the credit disbursements as the sub-sector received an amount of GH¢84.5 million compared to GH¢72.3 million in 2010. This represented 59.6% of the total new lending to the agriculture sector. The pie chart below gives a pictorial view of the sectoral analysis of the Bank's credit portfolio at the end of December 2011.



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Review Of 2011 Operations By Managing Director (Cont`d)

Profit Performance

The Bank recorded a significant improvement in its Net Profit after National Stabilization Levy of GH¢48.6 million for 2011 as against the restated profit of GH¢12.1 million in 2010, showing an increase of over 300%. This translates into Return on Average Assets and Return on Average Equity ratios of 4.5% and 33.7% respectively, compared to 1.4% and 10.6% respectively for the restated profit of 2010.

Strategic Plan 2010-2012

2011 marked the second year of the implementation of the Bank's strategic plan and saw the consolidation of operations of the Business Units. The Bank installed a new Flexcube UBS operating system to improve upon the efficiency of its business operations and expand service delivery to customers. The Bank remains committed to its key strategic objective of being among the top three performing banks in the banking industry. The performance of the Bank in 2011 has been very impressive and we are on course to achieving our strategic objectives.

Corporate Social Responsibility

The Bank escalated its Corporate Social Responsibility engagements and spent a total of GH¢1,295,518 in 2011 which showed a significant increase over the 2010 amount of GH¢605,725. This was exclusive of an amount of GH¢98,000 sponsorship for our trademark National Best Farmer Award. We made several other donations to charity during the year including donation of computers to the security services and some selected educational institutions.

Outlook for Year 2012

We will continue the implementation of the last phase of our strategic plan and ensure that all the major strategic action steps are fully implemented. We expect a steady business and income growth in spite of the potential challenges to the economy of Ghana in an election year. The Bank is also keen to follow through the necessary processes to enable it list on the Ghana Stock Exchange.

Conclusion

I wish to express my appreciation to the Board and the shareholders for their continued support to the Bank during the past year. I also wish to thank our loyal and dedicated customers for patronizing our services. I congratulate the hardworking staff of the Bank for their good effort.

STEPHEN KPORDZIH
MANAGING DIRECTOR

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

REPORT OF THE DIRECTORS
TO THE MEMBERS OF AGRICULTURAL DEVELOPMENT BANK

The Directors submit their report together with the consolidated financial statements of the Bank for the year ended 31 December 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

The Bank's Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Agricultural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970 and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Directors have made an assessment of the ability of the Bank and its subsidiaries to continue as going concerns and have no reason to believe any of the entities will not be a going concern in the year ahead.

The Directors consider the state of the Group's affairs to be satisfactory.

PRINCIPAL ACTIVITIES

The principal activities carried out by the Bank during the year under review were within the limits permitted by its regulations.

AUDITORS

The Auditors Messrs KPMG were appointed on March 5, 2011 to replace Messrs Deloitte and Touche who resigned their position as auditors on March 4, 2011. This was in compliance with the directive from the Bank of Ghana requiring all banks whose external auditors have been at post for more than five years to take steps to replace them.

DIRECTORS

The present list of members of the board is shown on page 3.

SUBSIDIARIES AND ASSOCIATE

The Bank has the following wholly owned subsidiaries, which are incorporated in Ghana and provide the following services:

- ADB Properties Limited - Real Estate

The Bank holds significant interest in the following companies:

Global Access Savings and Loans Limited	-	Savings and Loans
Agricare Limited	-	Agro Processing
Activity Venture Finance Company Limited	-	Venture Capital

FINANCIAL STATEMENTS AND DIVIDEND

The Bank's results for the year are set out in the attached financial statements, highlights of which are as follows:

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REPORT OF THE DIRECTORS
TO THE MEMBERS OF AGRICULTURAL DEVELOPMENT BANK (CONT'D)

		2011 GH¢'000		Restated 2010 GH¢'000
Profit after tax (attributable to equity holders)		**48,557**		12,147
to which is added the balance brought forward on income surplus account		**3,685**		(6,567)
		52,242		5,580
out of which is transferred to the statutory reserve fund in accordance with the Banking Act an amount of	**(21,804)**		(2,913)	
transfers in/out of the credit risk reserve of	**(8,299)**		-	
transfers to stated capital	**(25,000)**		-	
Other movements;				
disposal of subsidiary	**521**		-	
surplus written off due to depreciation	**231**		1,018	
prior year adjustments	**(736)**		-	
disposal of property, plant and equipment	**12,374**		-	
		(42,713)		(1,895)
leaving a balance to be carried forward of		**9,529**		3,685

In accordance with section 29(c) of the Banking Act, 2004 (Act 673) as amended, an amount of GH¢ 21,804,063 (2010: GH¢ 2,912,901) was transferred to the statutory reserve fund from the income surplus account bringing the cumulative balance on the statutory reserve fund at the year end to GH¢ 52,076,405 (2010: GH¢ 30,272,342).

RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

Certain transactions/balances dating back a number of years have been outstanding in the Bank's records. Efforts have been made by management in the past to investigate and correct this. A decision was taken during this year to provide for those which have been long outstanding.

Such transactions/balances have been corrected retrospectively and reflected in the financial statements of the prior year. Details are shown in note 33 of the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Bank were approved by the Board of Directors on 29th March, 2012 and signed on their behalf by:

……………………………… CHAIRMAN

……………………………… MANAGING DIRECTOR

……………………………… DIRECTOR

……………………………… EXECUTIVE HEAD-FINANCE& PLANNING

……………………………… SECRETARY

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Corporate Governance

Commitment to Corporate Governance

Agricultural Development Bank and its subsidiaries operate according to the Basel Committee standards on corporate governance, which constitute international best practice in this area.

The key guiding principles of the Group's governance practices are:

(i) Good corporate governance enhances shareholder value

(ii) The respective roles of shareholders, Board of Directors and management in the governance architecture should be clearly defined

(iii) The Board of Directors should have majority membership of independent directors, defined broadly as directors who are not employed by the Group or company, or who are not affiliated with organizations with significant financial dealings with the Group.

These principles have been articulated in a number of corporate documents, including the Bank's regulations, rules of procedures for Boards, a code of conduct for Directors and rules of business ethics for staff.

The Board of Directors

The Board is responsible for setting the institution's strategic direction, leading and controlling the institution and monitoring activities of executive management.

As of 31 December 2011, the Board of Directors of Agricultural Development Bank consisted of eight (8) members made up of an independent Non-executive Chairman, 6 (six) Non-executive Directors, and two (2) Executive Directors. These board members have wide experience and in-depth knowledge in management, industry and the financial and capital markets, which enable them make informed decisions and valuable contributions to the Group's progress. The Board met thirteen times during the year.

The Board has delegated various aspects of its work to the Governance and Risk Management, Audit and Compliance, Loans and Advances, Human Resource Committees.

The Board has adopted standard evaluation tools that help assess the performance of the Board, its committees and individual members on an annual basis.

Governance and Risk Management Committee

This committee is chaired by Dr. Johnson Asiama and its members are listed on page three of this Financial Statement.

The role of the committee include:

1. The review all risks to which the Bank is exposed, assess from time to time their relative importance and evaluate whether the resources and controls designed to manage each risk are proportionate to the quantum of risk involved:

2. To the extent that management accepts residual risk, because the resources required to reduce it further are considered to be disproportionate, the Committee will determine whether it is within the parameters set by the Board. The risk parameters set by the Board will generally be defined in terms

Corporate Governance (Cont`d)

of a proportion of the Bank's capital or profits that may be at risk of loss in the worst case if a risk crystallizes. The Committee will take into account the connectivity of risks.

3. Review of risk with a frequency that it judges to be proportionate to their materiality to the Bank and shall pay particular attention to new risks arising from changes in the Bank's business strategy and those arising from the wider current commercial, economic and political environment. The Committee shall review the comprehensiveness of record of risks from time to time and shall update it where appropriate.

4. Considering prior to implementation, all new products, significant changes in the balance of the business of the Bank or scale of its operations in any area. It shall also consider all proposed changes to key systems and operational controls, the management structure and key responsibilities of the senior management team.

5. Assisting management in the recognition of risks and also to ensure that the Board is made aware of changes in the risk profile.

   - Counterparty limits
   - Currency, maturity and interest rate mismatches
   - The external environment, including country risk for any country where the bank has a significant exposure
   - Business strategy and competition
   - Operational risk, including vulnerability to fraud, human resources and business continuity
   - Legal, compliance and reputational risk

The annual review of its terms of reference and modus operandi and make any recommendations for changes that it considers appropriate to the Board.

Audit and Compliance Committee

The role of the committee include:

1. Annually recommending to the Board & AGM, the appointment of the External Auditor, the audit fee and to advise the Board on any questions of resignation or dismissal of the External Auditors.

2. To keep under review the Bank's policy on non audit services provided by the External Auditors and recommend this to the Board having due regard to ensuring that the provision of such services does not impair the External Auditor's independence or objectivity.

3. Discussing with the External Auditors before their audit commences, the nature and scope of the audit.

4. Discussing any issues arising from the interim or final audits, and any matters the External Auditors may wish to raise and to report on such matters to- the Board.

Loans and Advances Committee

The role of the committee include:

1. Setting and reviewing lending limits for the Credit Committee from time to time;
2. Considering and approving credit exposures which exceed the approval limit of the Credit Committee;

Corporate Governance (Cont`d)

3. Considering and approving facilities where a member of management, a director, a shareholder has an interest in the borrower;
4. Considering and approving inter-bank lending
5. Considering and approving facilities referred to it by the Credit Committee

Human Resource Committee

The role of the committee include:

1. Proposing and making recommendations on Human Resource issues and matters relating to terms and appointments of Senior Management.

Code of Conduct

Management has communicated principles in the Group's Code of Conduct to its employees to provide guidance in the discharge of their duties. This code sets the standards of professionalism and integrity required for the Group's operations, which covers compliance with applicable laws, conflicts of interest, environmental issues, reliability of financial reporting, bribery and strict adherence to laid down principles, so as to eliminate the potential for illegal practices.

Anti-Money Laundering

The Group also has an established anti-money laundering system in place in compliance with requirements of Ghana's Anti-Money Laundering Act 2008. These include due diligence for opening new accounts, customer identification, monitoring of high risk accounts, record keeping and training and sensitisation of staff on money laundering, which assist in reducing regulatory and reputational risks to its business.

Independent Auditor`s Report
TO THE SHAREHOLDERS OF AGRICULTURAL DEVELOPMENT BANK

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Agricultural Development Bank and its subsidiaries which comprise the consolidated statement of financial position as at 31 December, 2011, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cashflows for the year then ended, the notes to the financial statements which include significant accounting policies and other explanatory notes, as set out on pages 26 to 73.

Directors' Responsibility for the Financial Statements

The Bank's Directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in the manner required by the Agricultural Development Bank Act 1965 (Act 286) amended by NLCD 182 of 1967 and Act 352 of 1970 and the Banking Act, 2004 (Act 673) as amended by the Banking Amendment Act 2007 (Act 738) and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Agricultural Development Bank at 31 December 2011 and its consolidated financial performance and cashflows for the year ended in accordance with International Financial Reporting Standards and in the manner required by the Agricultural Development Bank Act 1965 (Act 286) amended by NLCD 182 of 1967 and Act 352 of 1970 and the Banking Act, 2004 (Act 673) as amended by the Banking Amendment Act 2007 (Act 738).

Independent Auditor`s Report (Cont`d)

TO THE SHAREHOLDERS OF AGRICULTURAL DEVELOPMENT BANK

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of the Agricultural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970 and Section 78 of the Banking Act, 2004 (Act 673) as amended by the Banking Amendment Act 2007 (Act 738)

We have obtained all the information and explanations, which to the best of knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept and the consolidated statements of financial position and comprehensive income are in agreement with the books of account.

The Bank's transactions were within its powers and the Bank generally complied with the relevant provisions of the Banking Act, 2004 (Act 673) as amended by the Banking Amendment Act, 2007 (Act 738).

KPMG

CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP242
ACCRA

29th March, 2012

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2011

		The Group		The Bank	
			Restated		Restated
		2011	2010	2011	2010
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Interest income	5	**119,189**	126,915	**119,189**	126,915
Interest expense	6	**(38,891)**	(37,411)	**(38,891)**	(37,411)
Net interest income		**80,298**	**89,504**	**80,298**	**89,504**
Fees and commission income	7	**39,665**	22,130	**39,665**	22,130
Fees and commission expense	7	**(2,221)**	(1,095)	**(2,211)**	(1,095)
Net fees and commission income		**37,444**	21,035	**37,454**	21,035
Net trading income	8	**27,996**	12,544	**27,995**	12,544
Other operating income	9	**17,854**	17,793	**17,854**	14,493
Net non-interest revenue		**83,294**	51,372	**83,303**	48,072
Operating income		**163,592**	**140,876**	**163,601**	**137,576**
Impairment charge on loans and advances	19	**7,610**	(6,686)	**7,610**	(6,686)
Net Operating Income		**171,202**	134,190	**171,211**	130,890
Operating expenses	10	**(132,984)**	(123,003)	**(135,508)**	(120,201)
Operating profit		**38,218**	**11,187**	**35,703**	**10,689**
Share of post-tax profit/(loss) of Associated Company	17	**(411)**	775	**(411)**	775
Profit/(Loss) from disposal of non-current assets	22	**5,656**	801	**2,961**	801
Profit/(Loss) from disposal of associate companies	17	**6,088**	-	**6,088**	-
Profit/(Loss) from disposal of subsidiary	18	**1,562**	-	**1,562**	-
Profit before National Stabilization Levy		**51,113**	12,763	**45,903**	12,265
National Fiscal Stabilization Levy		**(2,556)**	(645)	**(2,295)**	(613)
Profit after National Stabilization Levy		**48,557**	**12,118**	**43,608**	**11,652**

The notes on pages 26 to 73 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2011 (Cont'd)

		The Group		The Bank	
			Restated		Restated
		2011	2010	2011	2010
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Profit after national stabilization levy		**48,557**	12,118	**43,608**	11,652
Net change in value of available for sale investment securities	14,16	**14,654**	2,943	**14,654**	2,943
		--------	--------	---------	---------
Total comprehensive income for the year		**63,211**	**15,061**	**58,262**	**14,595**
		=====	=====	====	=====
Profit for the year attributable to:					
Equity holders of the Bank		**48,557**	12,147	**43,608**	11,652
Non-controlling interest		**-**	(29)	**-**	-
		---------	----------	---------	---------
		48,557	**12,118**	**43,608**	**11,652**
		====	=====	=====	=====
Total comprehensive income attributable to:					
Equity holders of the Bank		**63,211**	15,090	**58,262**	14,595
Non-controlling interest		**-**	(29)	**-**	-
		--------	---------	---------	--------
		63,211	**15,061**	**58,262**	**14,595**
		=====	=====	=====	=====
Earnings per share					
Basic and diluted (in Ghana pesewas)	12	**1.942**	0.485	**1.744**	0.466

The notes on pages 26 to 73 form an integral part of these financial statements.

Consolidated Statement of Financial Position
AT 31 DECEMBER 2011

		The Group		The Bank		
			Restated		Restated	Restated
		2011	2010	2011	2010	1/1/2010
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Assets						
Cash and balances with Central Bank of Ghana	13	81,660	89,010	81,660	89,010	72,263
Investment in Government Securities	14	209,543	165,924	209,543	165,924	125,594
Deposits and balances due from Banking Institutions	15	90,248	34,848	90,248	34,848	48,953
Investment in other securities	16	35,158	11,212	35,158	11,188	6,309
Investment in associate companies	17	1,477	5,774	1,477	5,774	4,999
Investment in subsidiaries	18	-	-	14,493	15,644	1,151
Loans and advances to customers	19	678,747	576,987	678,747	576,987	393,449
Other assets	20	73,560	58,998	64,870	54,913	40,422
Intangible assets	21	11,974	564	11,974	564	787
Property and equipment	22	31,304	24,882	17,587	9,651	24,271
Total Assets		**1,213,671**	**968,199**	**1,205,757**	**964,503**	**718,198**
Liabilities						
Customer deposits	23	827,718	536,079	827,718	536,079	425,145
Borrowed funds	24	161,387	221,400	161,387	221,400	88,201
Other liabilities	25	42,859	104,248	40,488	100,745	96,331
		1,031,964	**861,727**	**1,029,592**	**858,224**	**609,677**
Capital Resources						
Share capital	26	75,000	50,000	75,000	50,000	50,000
Revaluation surplus		1,748	1,979	1,748	1,979	15,372
Income surplus		9,529	3,685	3,986	3,611	(6,146)
Credit risk reserve		25,773	17,474	25,773	17,474	21,936
Statutory reserve		52,076	30,272	52,076	30,272	27,359
Available for sale reserve		17,581	2,943	17,581	2,943	-
Shareholders' funds		**181,707**	**106,353**	**176,164**	**106,279**	**108,521**
Non Controlling Interest		**-**	**119**	**-**	**-**	**-**
Total liabilities and Shareholders' Funds		**1,213,671**	**968,199**	**1,205,757**	**964,503**	**718,198**

These financial statements were approved by the Board of Directors on 29th March, 2012 and signed on its behalf by:

……………………………..
Director

……………………………..
Director

The notes on pages 26 to 73 form an integral part of these financial statements.

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Consolidated Statement of Changes In Equity

FOR THE YEAR ENDED 31 DECEMBER 2011

The Bank	Stated capital GH¢'000	Revaluation surplus GH¢'000	Available for sale reserve GH¢'000	Income surplus GH¢'000	Regulatory Credit reserve GH¢'000	Statutory reserve GH¢'000	Total GH¢'000
At 1 January 2010	50,000	15,372	-	6,950	21,936	27,359	**121,617**
Adjustment to opening balance	-	-	-	(13,096)	(4,462)	-	**(17,558)**
Restated Opening Balance	**50,000**	**15,372**	**-**	**(6,146)**	**17,474**	**27,359**	**104,059**
Fair value adjustment	-	-	2,943	-	-	-	**2,943**
Transfer to statutory reserve	-	-	-	(2,913)	-	2,913	**-**
Release of surplus	-	(12,375)	-	-	-	-	**(12,375)**
Surplus written off due to depreciation	-	(1,018)	-	1,018	-	-	**-**
Profit for the year	-	-	-	11,652	-	-	**11,652**
At 31 December 2010	**50,000**	**1,979**	**2,943**	**3,611**	**17,474**	**30,272**	**106,279**
At 1 January 2011	**50,000**	**1,979**	**2,943**	**3,611**	**17,474**	**30,272**	**106,279**
Fair value adjustment	-	-	14,654	-	-	-	**14,654**
Release from credit risk reserve	-	-	-	(8,299)	8,299	-	**-**
Disposal of investment	-	-	-	12,374	-	-	**12,374**
Transfer to statutory reserve	-	-	-	(21,804)	-	21,804	**-**
Release of surplus	25,000	-	(16)	(25,000)	-	-	**(16)**
Surplus written off due to depreciation	-	(231)	-	231	-	-	**-**
Prior year adjustment	-	-	-	(735)	-	-	**(735)**
Profit for the year	-	-	-	43,608	-	-	**43,608**
Balance at 31 December 2011	**75,000**	**1,748**	**17,581**	**3,986**	**25,773**	**52,076**	**176,164**

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Consolidated Statement of Changes In Equity

FOR THE YEAR ENDED 31 DECEMBER 2011 (Cont'd)

The Group

	Stated capital GH¢'000	Revaluation surplus GH¢'000	Available for sale reserve GH¢'000	Income surplus GH¢'000	Regulatory credit risk reserve GH¢'000	Statutory reserve GH¢'000	Non-controlling interest GH¢'000	Total GH¢'000
Balance at 1 January 2010	**50,000**	**15,372**	**-**	**6,529**	**21,936**	**27,359**	**148**	**121,344**
Adjustment to opening balance	-	-	-	(13,096)	(4,462)	-	-	**(17,558)**
Restated Opening Balance	**50,000**	**15,372**	**-**	**(6,567)**	**17,474**	**27,359**	**148**	**103,786**
Fair value adjustment	-	-	2,943	-	-	-	-	**2,943**
Transfer to statutory reserve	-	-	-	(2,913)	-	2,913	-	**-**
Release of surplus	-	(12,375)	-	-	-	-	-	**(12,375)**
Surplus written off due to depreciation	-	(1,018)	-	1,018	-	-		**-**
Profit for the year	-	-	-	12,147	-	-	(29)	**12,118**
At 31 December 2010	**50,000**	**1,979**	**2,943**	**3,685**	**17,474**	**30,272**	**119**	**106,472**
At January 2011	**50,000**	**1,979**	**2,943**	**3,685**	**17,474**	**30,272**	**119**	**106,472**
Fair value adjustment	-	-	14,654	-	-	-	-	**14,654**
Release from credit risk reserve	-	-	-	(8,299)	8,299	-	-	**-**
Disposal of PPE	-	-	-	12,374	-	-	-	**12,374**
Disposal of subsidiary	-	-	-	521	-	-	(119)	**402**
Transfer to statutory reserve	-	-	-	(21,804)	-	21,804	-	**-**
Release of surplus	25,000	-	(16)	(25,000)	-	-	-	**(16)**
Surplus written off due to depreciation	-	(231)	-	231	-	-	-	**-**
Prior year adjustment	-	-	-	(736)	-	-	-	**(736)**
Profit for the year	-	-	-	48,557	-	-	-	**48,557**
Balance at 31 December 2011	**75,000**	**1,748**	**17,581**	**9,529**	**25,773**	**52,076**	**-**	**181,707**

The notes on pages 26 to 73 form an integral part of these financial statements.

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Consolidated Statement of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	The Group 2011 GH¢'000	The Group 2010 GH¢'000	The Bank 2011 GH¢'000	The Bank 2010 GH¢'000
Operating activities					
Cash generated from operations	27	**168,508**	(75,246)	**170,237**	(59,316)
Investing activities					
Purchase of property and equipment	22	**(13,616)**	(5,414)	**(12,437)**	(5,676)
Proceeds from disposal of property and equipment		**6,444**	491	**3,560**	491
Acquisition of Intangible assets		**(12,590)**	(1,124)	**(12,590)**	(1,124)
Proceeds from disposal of associated company		**10,200**	-	**10,200**	-
Proceeds from disposal subsidiary		**2,713**	-	**2,713**	-
Increase in other investment securities		**(9,292)**	(1,246)	**(9,316)**	(1,270)
Increase in subsidiaries			-		(15,644)
Increase in associates		**185**	(4,999)	**185**	(4,999)
Net cash used in investing activities		**(15,956)**	**(12,292)**	**(17,685)**	**(28,222)**
Dividend paid		**-**	(2,000)	**-**	(2,000)
National Stabilization Levy		**(2,169)**	(1,637)	**(2,169)**	(1,637)
Financing activities					
Receipts/(payments) in borrowed funds		**(60,013)**	133,199	**(60,013)**	133,199
Dividend Income		**1,298**	949	**1,298**	949
Net cash generated from financing Activities		**(58,715)**	134,148	**(58,715)**	134,148
Increase in cash and cash equivalents		**91,668**	42,973	**91,668**	42,973
Cash and cash equivalent at 1 January		**289,783**	246,809	**289,783**	246,809
Cash and cash equivalents at 31 December		**381,451**	**289,783**	**381,451**	**289,783**

The notes on pages 26 to 73 form an integral part of these financial statements.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

1. GENERAL INFORMATION

Agricultural Development Bank (ADB) is a financial institution incorporated in Ghana. The registered office of the Agricultural Development Bank is located at 37 Independence Avenue, Accra. The Agricultural Development Bank operates under the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act of 2008 (Act 738), and the Agricultural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of Compliance

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Additional information required by the Companies Code, 1963 (Act 179) and Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) have been included, where appropriate. The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of property and available-for-sale financial assets, financial assets and financial liabilities, which are measured at fair value through profit or loss.

The consolidated financial statements comprise the consolidated financial position, consolidated statements of comprehensive income, changes in equity and cash flows and notes to the consolidated financial statements.

The consolidated financial statements are presented in Ghana cedis which is the group's functional currency. They are prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: financial instruments that are fair value through profit and loss and financial instruments classified as available-for-sale.

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the consolidated financial statements are described in notes one (1).

2.1.1 New standards and interpretations not yet adopted

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that may have an impact on future financial statements:

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Standard/Interpretation		Effective date
IAS 1 amendment	*Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*	Annual periods beginning on or after 1 July 2012*
IAS 27	*Separate Financial Statements (2011)*	Annual periods beginning on or after 1 January 2013*
IAS 28	*Investments in Associates and Joint Ventures (2011)*	Annual periods beginning on or after 1 January 2013*
IFRS 7 amendment	*Disclosures – Transfers of Financial Assets*	Annual periods beginning on or after 1 July 2011*
IFRS 9 (2009)	*Financial Instruments*	Annual periods beginning on or after 1 January 2015*
IFRS 9 (2010)	*Financial Instruments*	Annual periods beginning on or after 1 January 2015*
IFRS 10	*Consolidated Financial Statements*	Annual periods beginning on or after 1 January 2013*
IFRS 12	*Disclosure of Interests in Other Entities*	Annual periods beginning on or after 1 January 2013*
IFRS 13	*Fair Value Measurement*	Annual periods beginning on or after 1 January 2013*

Amendment to IAS 1 Presentation of Financial Statements

The amendment to IAS 1 will be adopted for the first time for the financial reporting period ending 31 December 2013.

The Bank will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately.

This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements.
This amendment will be applied retrospectively and the comparative information will be restated.

IAS 27 (2011) Separate Financial Statements

IAS 27 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013.

IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

This amendment will not have a significant impact on the Bank's separate financial statements for the year ended 31 December 2011.

IAS 28 (2011) Investments in Associates and Joint Ventures

IAS 28 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments. These include:

- IFRS 5 is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and
- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the company does not re-measure the retained interest.

This amendment will not have a significant impact on the Bank's financial statements for the year ended 31 December 2011.

Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments to IFRS 7 will be adopted for the first time for the financial reporting period ending 31 December 2012.

In terms of the amendments additional disclosure will be provided regarding transfers of financial assets that are:
- not derecognised in their entirety; and
- derecognised in their entirety but for which the Bank retains continuing involvement.

This amendment will not have a significant impact on the Bank's financial statements for the year ended 31 December 2011.

IFRS 9 (2009) Financial Instruments

IFRS 9 will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

This amendment will not have a significant impact on the Bank's financial statements for the year ended 31 December 2011.

IFRS 9 (2010) Financial Instruments

IFRS 9 (2010) will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.
IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace the relevant sections of IAS 39.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

- fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.

- Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

IFRS 9 (2010) incorporates, the guidance in IAS 39 dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives.

This amendment will not have a significant impact on the Bank's financial statements for the year ended 31 December 2011.

IFRS 10 Consolidated Financial Statements

IFRS 10 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard may be applied retrospectively. IFRS 10 introduces a single control model to assess whether an investee should be consolidated. This control model requires entities to perform the following in determining whether control exists:

- Identify how decisions about relevant activities are made;
- Assess whether the entity has power over relevant activities by considering only the entity's substantive rights;
- Assess whether the entity is exposed to variability in returns, and
- Assess whether the entity is able to use its power over the investee to affect returns for its own benefit

Control should be assessed on a continuous basis and should be reassessed as facts and circumstances change.

This amendment will not have a significant impact on the Bank's financial statements for the year ended 31 December 2011.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 will be adopted for the first time for the financial reporting period ending 31 December 2013.
IFRS 12 combines, in a single standard, disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The required disclosures aim to provide information to enable users evaluate:

- The nature of, and risks associated with, an entity's interests in other entities, and
- The effects of those interests on the entity's financial position, financial performance and cash flows.

The adoption of this standard will increase the level of disclosure provided for interests in subsidiaries, joint arrangements, associates and structured entities

IFRS 13 Fair Value Measurement

IFRS 13 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard will be applied prospectively and comparatives will not be restated.

IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosures requirements for fair value measurements. The key principles in IFRS 13 are as follows:

- Fair value is an exit price
- Measurement considers characteristics of the asset or liability and not entity-specific characteristics
- Measurement assumes a transaction in the entity's principle (or most advantageous) market between market participants
- Price is not adjusted for transaction costs
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs
- The three-level fair value hierarchy is extended to all fair value measurements

This amendment of IFRS 13 will not have an impact on the Bank's financial statements for the year ended 31 December 2011.

2.2 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions or valuation, where items are re-measured.

Monetary items denominated in foreign currency are re-translated at closing interbank mid rates ruling at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated at exchange rates ruling at the dates of initial recognition; and non-monetary items in a foreign currency that are measured at fair value are translated at exchange rates ruling at the date when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from re-translation at year-end exchange rates of foreign currency denominated monetary assets and liabilities are recognised in profit or loss.

All foreign exchange gains and losses recognised in profit or loss are presented net within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Changes in the fair value of monetary assets denominated in foreign currency classified as available for sale, are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, whereas other changes in carrying amounts, except impairment, are recognised in other comprehensive income.

Translation differences on non-monetary financial instruments, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are included in other comprehensive income.

2.3 Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Bank currently uses single segmental reporting to management.

2.4 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument, including prepayment options, but does not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.5 Fees and commissions

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred, together with related direct costs, and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group has retained no part of the loan package for itself or retained a part at the same effective interest rate as the other participants.

2.6 Dividends

Dividends are charged to equity in the period in which they are declared. Proposed dividends are not accrued until they have been ratified at the Annual General Meeting.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Net trading income

Net trading income comprises gains less losses relating to trading assets and liabilities, including realised and unrealised fair value changes, interest and foreign exchange differences.

2.8 Impairment and uncollectability of financial assets

At each date of the statement of financial position, all financial assets are subject to review for impairment. If it is probable that the bank will not be able to collect all amounts due (principal and interest) according to the contractual terms of loans, receivables, or held-to-maturity investments carried at amortised cost, an impairment or bad debt loss has occurred. The carrying amount of the asset is reduced to its estimated recoverable amount through use of an allowance account. The amount of the loss incurred is included in the statement of comprehensive income for the period.

If a loss on a financial asset carried at fair value (recoverable amount is below original acquisition cost) has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognised directly in equity is removed from equity and recognised in the statement of comprehensive income for the period even though the financial asset has not been derecognised.

The bank considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment together with financial assets with similar risk characteristics.

Objective evidence that financial assets are impaired can include observable data that comes to the attention of the bank about the following loss events:

- Significant financial difficulty of the borrower
- Default or delinquency by a borrower
- Restructuring of a loan or advance by the bank on terms that the bank would not otherwise consider
- Indication that a borrower or issuer will enter bankruptcy
- The disappearance of an active market for a security, or
- Other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In assessing collective impairment the bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

a. Assets carried at amortised costs

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Assets carried at fair value

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to the statement of comprehensive income. When a subsequent event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through the statement of comprehensive income.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

c. Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are considered to be past due.

2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The impairment test also can be performed on a single asset when the fair value less cost to sell or the value in use can be determined reliably. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date

2.10 Cash and cash equivalents

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from banks repayable within three months from the dates of the advances.

2.11 Repossessed property

In certain circumstances, property is repossessed following foreclosure on loans that are in default. Repossessed properties are measured at the lower of carrying amount and fair value less costs to sell and reported within 'Other assets'.

2.12 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Bank as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Leasing (cont'd)

Bank as lesee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

2.13 Property and equipment

Property and equipment are stated at cost or as professionally revalued from time to time less accumulated depreciation.

Increases in the carrying amount arising on revaluation are credited to a revaluation surplus. Decreases that offset previous increases of the same asset are charged against the revaluation surplus. All other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of an asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from the revaluation surplus to revenue reserves.

Depreciation

Depreciation on other property and equipment is calculated to write off their cost or valuation in equal annual instalments over their estimated useful lives. The annual rates in use are:

Buildings	5 %
Motor vehicles	25 %
Furniture and equipment	20%
Computers	33.33 %
Leasehold Improvement	20%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Leasehold Land

Payments to acquire leasehold interest in land are treated as operating lease prepayments and amortised over the period of the lease.

Computer Software Development cost

Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. However, costs that are clearly associated with an identifiable and unique product which will be controlled by the bank and has a probable benefit exceeding the cost beyond one year, are recognised as an intangible asset.

Expenditure which enhances and extends computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original costs of the software.

Computer software development costs recognised as assets are stated at cost less amortisation.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Amortisation is calculated on a straight line basis over the estimated useful lives not exceeding a period of 3 years.

2.14 Taxation

The Bank is not liablie to corporate tax as per the Agricultural Development Bank Act 1965 (Act 286) as amended by NLCD 182 of 1967 and Act 352 of 1970.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events that can be reliably estimated and it is probable that an outflow of resources will be required to settle the obligation. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations which are likely to result in an outflow to settle related classes of obligations as a whole, a provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of expenditures expected to be required to settle obligations using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the obligation. An increase in the provision due to passage of time is recognised as an interest expense.

2.16 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to financial institutions and other bodies on behalf of customers to secure loans and overdrafts.

Financial guarantees are initially recognised at the fair value and amortised over the life of financial guarantee. The financial guarantee is subsequently carried at the higher of the amortised amount and the present value of any expected payments, when payment becomes probable.

2.17 Derivative financial instruments

Derivative contracts are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values may be obtained from quoted market prices in active markets, recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The fair value changes in the derivative are recognised in profit or loss.

2.18 Dividend on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Consolidation

(a) Subsidiaries

Subsidiaries are all the entities over which the Group has power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently excisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost.

2.20 Post balance sheet event

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

2.21 Retirement benefit cost

The bank operates a defined contribution benefit scheme for its employees. The assets of this scheme are held by the treasury department of the bank. The scheme is funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules.

The bank also contributes to the statutory Social Security & National Insurance Trust (SSNIT). This is a defined contribution scheme registered under the National Social Security Act. The bank's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 13% of an employee's basic salary per month. The bank's obligations to staff retirement benefit schemes are charged to the statement of comprehensive income in the year to which they relate.

2.22 Provision for employee entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the date of the statement of financial position.

2.23 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT

Introduction and overview

The bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the bank's business, and the operational risks are an inevitable consequence of being in business. The bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance.

The most important types of risk include:

- Credit risk
- Liquidity risk
- Market risk –includes currency, interest rate and other price risk
- Operational risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The board has established a Board Audit and Risk Committees and a risk department to assist in the discharge of this responsibility. The board has also established the Credit Committee which is responsible for developing and monitoring risk management in their respective areas.

The bank's risk management policies are established to identify and analyse the risks faced by the bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The bank's Audit and Risk Management Committees are responsible for monitoring compliance with the bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the bank. The Audit and Risk Management Committees are assisted in these functions by Internal Audit and the risk management departments. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Sub Board Audit Committee.

Credit Risk

Credit risk is the risk of financial loss to the bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the bank's loans and advances to customers and other banks and investment securities.

For risk management reporting purposes, the bank considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to its Credit-Committee and Sub-Board Risk Management Committee. A separate Credit department, reporting to the Executive Committee, is responsible for oversight of the bank's credit risk, including:

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

- Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorisation structure for the approval and renewal of credit facilities. Authorisation limits are allocated to business units. Larger facilities require approval by the Executive Committee members and the Board (Sub Committee) on risk management.

- Reviewing and assessing credit risk. The Credit departments assess all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process. Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, market liquidity and country (for investment securities).

- Developing and maintaining the bank's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of 4 grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the Board of Directors. Risk grades are subject to regular reviews by the Risk Management Department.

- Reviewing compliance of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the credit department on the credit quality of portfolios and appropriate corrective action is taken.

- Providing advice, guidance and specialist skills to business units to promote best practice throughout the bank in the management of credit risk.

Risk management

The Bank has a risk management department organised into credit control, recoveries and operational control. Under the credit control department, it has credit administration, credit risk appraisal and credit monitoring. The department is responsible for managing all risks to which the Bank is exposed (operational risk, credit risk, liquidity risk, interest rate risk and foreign currency risk). The risk management department is developing a risk management framework for the Bank.

The Bank treats all branches as independent business units which generate their own income, run their own profit and loss account and statement of financial position. The head office consolidates these and exercises oversight responsibility over all the branches. Credit is generated at the branch level and is then channeled through the credit control unit of the risk management department where a credit risk appraisal is performed to assess whether to engage the client or not. The client's file is then moved to the head of risk management and to the other appropriate levels (credit committee, board and so on) for final approval before credit is granted. There is also the monitoring aspect where the head office credit monitoring team monitors the loans and their performance in addition to the monitoring performed at the branch level. Where a loan goes beyond current, it is classified as either olem, substandard, doubtful or loss, as recommended by the Central Bank of Ghana. Where a loan goes beyond current, there is the recoveries team which moves in to recover loan losses.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

After initial recognition, the bank measures all financial liabilities including customer deposits and borrowings other than liabilities held for trading at amortised cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

Interest-bearing borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Repurchase agreement transactions

Securities purchased from the Central Bank of Ghana under agreements to resell ("reverse repo's"), are disclosed as off balance sheet guarantees in the financial statement.

On- statement of financial position items

Assets	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
a) Government securities	**209,543**	165,924	**209,543**	165,924
	======	======	======	======
b) Deposits due from financial institutions:				
Local	**35,466**	30,997	**35,466**	30,996
Foreign	**54,782**	3,851	**54,782**	3,851
	---------	--------	---------	---------
	90,248	**34,848**	**90,248**	**34,848**
	=====	=====	=====	=====
c) Loans and advances to customers				
Loans to individuals:				
Overdraft	**12,596**	64,108	**12,596**	64,108
Term loans	**127,215**	86,770	**127,215**	86,770
	----------	----------	----------	-----------
	139,811	**150,878**	**139,811**	**150,878**
	----------	----------	----------	-----------
d) Loans to corporate entities:				
Overdrafts	**192,642**	187,999	**192,642**	187,999
Terms loans	**363,148**	262,575	**363,148**	262,575
	----------	---------	----------	-----------
	555,790	**450,574**	**555,790**	**450,574**
	----------	----------	----------	-----------
Gross loans and advances (including suspended interest)	**695,601**	**601,452**	**695,601**	**601,452**
	======	======	======	======
Off-statement of financial position items:				
Letters of credit	**32,170**	30,253	**32,170**	30,252
Guarantees and indemnities	**131,520**	114,065	**131,520**	114,065
	-----------	-----------	----------	-----------
	163,690	**144,318**	**163,690**	**144,317**
	======	======	======	======

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

The bank does not perceive any significant credit risk on the following financial assets:

- Investments in Government securities and Central Bank of Ghana.

The table below represents the maximum credit risk exposure to the bank at 31 December 2011, and after taking into account credit enhancements.

	Gross Amount GH¢'000	Impairment %
2011		
Loans and Advances to Customers		
Neither past due nor impaired	**659,182**	0.95
Past due but not impaired	**6,995**	0.01
Impaired	**29,424**	0.04
	----------	------
	695,601	**1.00**
	======	===

Each business unit is required to implement bank credit policies and procedures, with credit approval authorities delegated from the banks Risk Management Department. Each business unit has a Credit Risk officer who reports on all credit related matters to Risk Management Department.

Impaired loans

Impaired loans and securities are loans and securities for which the bank determines that it is probable that it will e unable to collect all principal and interest due according to the contractual terms of the loan/ securities agreement(s).

Past due but not impaired loans

Loans and advances where contractual interest or principal payments are past due but the bank believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the state of collection of amounts owed to the bank.

Allowances for impairment

The bank establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for banks of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy

The bank writes off a loan/security balance (and any related allowances for impairment losses) when the Credit department determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

For smaller balance standardised loans, charge off decisions generally are based on a product specific past due
status. A formal approval is sought from the Board and Bank of Ghana before a write-off exercise is done.

Collateral held

The bank holds collateral against loans and advances to customers in the form of cash, mortgage interests over
property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over Interbank placements, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2011.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below:

Loans and advances to customers

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Against individually impaired property	**117,932**	51,845	**117,932**	51,845
Against neither past due nor impaired property	**642,798**	481,737	**642,798**	481,737
	---------	----------	----------	----------
Total	**760,730**	**533,582**	**760,730**	**533,582**
	======	======	======	======

Concentration of risk

The bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

Advances to customers- gross	2011 GH¢'000	%	2010 GH¢'000	%
Agriculture	**190,819**	27	**174,223**	29
Manufacturing	**34,631**	5	**34,524**	6
Commerce and Finance	**114,888**	17	**149,158**	25
Transport and Communication	**13,905**	2	**12,853**	2
Mining and Quarrying	**6,197**	1	**7,526**	1
Building and Construction	**35,869**	5	**47,940**	8
Services	**293,325**	42	**168,446**	28
Others	**5,967**	1	**6,782**	1
	-----------	-----	-----------	-----
	695,601	**100**	**601,452**	**100**
	======	===	======	===

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Interest rate risk

Interest rate risk is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors, including:

(i) Differences between the timing of market interest rate changes and the timing of cash flows (repricing risk);
(ii) Changes in the market interest rates producing different effect on yields on similar instruments with different maturities (yield curve risk); and
(iii) Changes in the level of market interest rates producing difficult effects on rates received or paid on instruments with similar repricing characteristics (basis risk)

The Group uses gap analysis to measure its exposure to interest rate risk. Through this analysis, it compares the values of interest rate sensitive assets and liabilities that mature or reprice at various time periods in the future. The Group may make judgmental assumptions about the behaviour of assets and liabilities which do not have specific contractual maturity or repricing dates.

The Assets and Liability Management Committee closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the bank.

The interest rate risks sensitivity analysis is based on the following assumptions.

- Changes in the market interest rates affect the interest income or expenses of variable interest financial instruments
- Changes in market interest rates only affect interest income or expenses in relation to financial instruments with
- fixed interest rates if these are recognized at their fair value.
- The interest rate changes will have a significant effect on interest sensitive assets and liabilities and hence simulation
- modeling is applied to net interest margins.
- The interest rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on net interest income of some rates changing while others remain unchanged.
- The projections make other assumptions including that all positions run to maturity.

Interest rate risk and foreign currency risk

The Bank uses the Reuters system to monitor live interest and exchange rates to facilitate trading by the treasury department. This helps the Bank to know what is happening at any moment in time on the markets and where opportunities are present to make gains from high interest rates.

The bank has also instituted a Basel II compliance committee which is scheduled to meet throughout the year to review various risks that the Bank faces and how to move closely to Basel II.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

	Less than 1 months	less than 3 months	less than 6 months	less than 1 year	less than 3 years	Total GH¢'000
Financial assets						
Cash and balances with Central Bank of Ghana	81,660	-	-	-	-	**81,660**
Government Securities	-	-	16,133	193,410	-	**209,543**
Deposits and balances due from banking instituitions	90,248	-	-	-	-	**90,248**
Loans and advances to customers (net)	210,858	78,076	132,514	168,801	88,498	**678,797**
Total financial assets	**382,766**	**78,076**	**148,647**	**362,211**	**88,498**	**1,060,198**
Financial liabilities						
Customer deposits	136,973	117,822	437,273	135,650	-	**827,718**
Deposits and balance due to banking institutions	33,400	7,579	11,363	78,930	30,115	**161,387**
Total financial assets	**170,373**	**125,401**	**448,636**	**214,580**	**30,115**	**989,105**
Interest rate sensitivity gap						
As at 31 December 2011						
Total financial assets	382,766	78,076	148,647	362,211	88,498	**1,060,198**
Total financial liabilities	170,373	125,401	448,636	214,580	30,115	**989,105**
Interest rate sensitivity gap	**184,713**	**(47,324)**	**(299,119)**	**157,352**	**58,383**	**71,093**

Foreign exchange risk

Foreign exchange risk is measured through the income statement. The Group takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra group.

The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December.

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

a) Assets

	USD GH¢'000	GBP GH¢'000	EUR GH¢'000	Other GH¢'000
Cash and balance with Central Bank of Ghana	1,610	279	528	87
Equity investment	-	4,500	-	-
Deposits and balance due from banking Instituition	34,205	370	(149)	-
Loans and advances to customers (net)	80,217	-	1,181	-
Other assets	976	244	548	-
Total financial assets	**117,008**	**5,393**	**2,108**	**87**

b) Financial liabilities

	USD GH¢'000	GBP GH¢'000	EUR GH¢'000	Other GH¢'000
Customer deposits	48,230	1,423	3,855	-
Borrowings	58,500	-	-	-
Other liabilities	3,310	-	57	-
Total financial liabilities	**110,040**	**1,423**	**3,912**	**-**
Net balance sheet position	6,966	3,968	(1,804)	87
As at 31 December 2011	-	-	-	-
Total finanacial assets	117,008	5,393	2,108	87
Total financial liabilities	110,041	1,424	3,912	-
Net balance sheet position	**6,966**	**3,968**	**(1,804)**	**87**

The exchange rates used for translating the major foreign currency balances at the year end were as follows:

United States of America Dollars (US Dollar $)	1.5841	1.4532
Great British Pound (GB Pound £)	2.4456	2.2511
European Union Euro	2.0501	1.9405

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and be able to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

Management of liquidity risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the bank's reputation.

The treasury department maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the bank as a whole.

Exposure to liquidity risk

The key measure used by the bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers.

For this purpose net liquid assets are considered as including cash and cash equivalents and investment grade debt securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

3. FINANCIAL RISK MANAGEMENT (CONT'D)

The table below presents the cash flows payable under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the date of the consolidated statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flow, whereas the Group manages the liquidity risk based on a different basis not resulting in a significantly different analysis.

	Carrying Amount GH¢'000	Up to 1 month GH¢'000	1-3 months GH¢'000	3-12 months GH¢'000	1-5 years GH¢'000	over 5years GH¢'000	Total GH¢'000
Financial liabilities							
Customer deposits	827,718	136,973	117,821	437,273	135,650	-	**827,718**
Borrowings	161,387	33,401	7,579	11,363	78,930	30,114	**161,387**
Other liabilities	42,859	6,581	231	25,212	10,836	-	**42,859**
Total financial liabilities	**1,031,964**	**176,955**	**125,631**	**473,848**	**225,416**	**30,114**	**1,031,964**
Financial assets							
Cash and balances with Central Bank of Ghana	81,660	81,660	-	-	-	-	**81,660**
Investment in Government securities	209,543	-	-	9,858	199,685	-	**209,543**
Deposits and balances due from banking institutions	90,248	90,248	-	-	-	-	**90,248**
Investment in other securities	35,158		-	-	35,158	-	**35,158**
Investment in associate companies	1,477		-	1,477	-	-	**1,477**
Loans and advances to customers (net)	678,747	210,858	78,077	132,515	178,523	78,774	**678,747**
Other assets	73,560	-	7,054	7,916	58,590	-	**73,560**
Intangible Assets	11,974				11,974	-	**11,974**
Property and equipment	31,304	-	-		31,304	-	**31,304**
Total financial assets	**1,213,671**	**382,766**	**85,131**	**151,766**	**515,234**	**78,774**	**1,213,671**
Net Liquidity gap	**181,707**	**205,811**	**(40,500)**	**(322,082)**	**289,818**	**48,660**	**363,414**
As at 31 December 2011							
Total financial liabilities	1,031,964	176,955	125,631	473,848	225,416	30,114	**1,031,964**
Total financial assets	1,213,671	382,766	85,131	151,766	515,234	78,774	**1,213,671**
Net liquidity gap	**181,707**	**205,811**	**(40,500)**	**(322,082)**	**289,818**	**48,660**	**363,414**

The bank's cashflow however vary significantly from this analysis. For example, customer deposits are maintained for longer periods than the contractual maturity dates hence the deposit base is considered to be of a stable and long term nature.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

4. CAPITAL MANAGEMENT

Regulatory Capital

The Central Bank of Ghana sets and monitors capital requirements for the bank.
The bank's objectives when managing capital are:

- To safeguard the bank's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for the other stakeholders
- To maintain a strong capital base to support the current and future development needs of the business
- To comply with the capital requirements set by the Central Bank of Ghana

Capital adequacy and use of regulatory capital are monitored by management employing techniques based on the guidelines developed by the Central Bank of Ghana for supervisory purposes. The required information is filed with the Central Bank of Ghana on a monthly basis

The Central Bank requires each bank to:

a) Hold the minimum level of regulatory capital of GH¢60 million by the end of 2012
b) Maintain a ratio total regulatory capital; to risk weighted assets plus risk weighted off balance assets at above the required minimum of 10%

The bank's regulatory capital is analysed into two tiers:

- Tier 1 capital, which includes ordinary share capital, share premium, retained earnings, after deductions for intangible assets (excluding computer software), investments in equity instruments of other institutions and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes Capitalised Revaluations Reserves; Latent Revaluation Reserves; Undisclosed Reserves; Revaluation Reserves; Sub-Ordinated Loans and Hybrid Capital subject to a limit of 100% of Tier 1 Capital.

The bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by Bank Risk and Bank Credit, and is subject to review by the Bank Credit Committee and or ALCO as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the bank to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the bank's longer term strategic objectives. The bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

4. CAPITAL MANAGEMENT – (CONT'D)

Critical accounting estimates and judgments in applying the bank's accounting policies

In the process of applying the bank's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

These are dealt with below:

Impairment losses on loans and advances

The bank reviews its loan portfolios to assess impairment regularly. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the bank makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cashflows from a portfolio of loans, before a decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a bank, or national or local economic conditions that correlate with defaults on assets in the bank.

Impairment losses on loans and advances

Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Held -to-maturity investments

The bank follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the bank evaluates its intention and ability to hold such investments to maturity. If the bank fails to keep these investments to maturity other than for the specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

Property and equipment

Critical estimates are made by the directors in determining depreciation rates for property and equipment.

Going concern

As at 31 December 2011, the bank had an accumulated revenue surplus of GH¢ 9,528,722 (2010; GH¢3,684,830).

The directors are confident of continued Profitable performance in the coming years in view of the continued stability of the Ghanaian economy in the face of daunting challenges aroused by the current global financial crises. The Directors have put in place measures to ensure consistent good performance and avoid risks that may impair the Quality of the Banks credit portfolio.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

In view of the above, the directors consider it appropriate to prepare these financial statements on a going concern basis.

5. INTEREST INCOME

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Loans and advances	**94,552**	97,175	**94,552**	97,175
Investment in Government securities	**23,155**	27,931	**23,155**	27,931
Inter bank placement	**411**	1,480	**411**	1,481
Leases (including agric inputs)	**1,071**	329	**1,071**	329
	119,189	**126,915**	**119,189**	**126,916**

Included within interest income from loans and advances for the year ended 31 December 2011 is a total of GH¢ 12,610,557 (2010: GH¢10,595,061) accrued on impaired financial assets.

6. INTEREST EXPENSE

(a) On deposits:	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Fixed /Time deposits	**18,139**	15,660	**18,139**	15,660
Savings Deposits	**1,055**	2,310	**1,055**	2,310
Demand & Call deposits	**4,555**	8,447	**4,555**	8,447
	23,749	**26,417**	**23,749**	**26,417**
(b) On borrowed funds:				
Inter-Bank Borrowing	**8,106**	5,463	**8,106**	5,463
Long-Term Borrowings	**7,036**	5,531	**7,036**	5,531
	15,142	10,994	**15,142**	10,994
	38,891	**37,411**	**38,891**	**37,411**

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

7. NET FEE AND COMMISSION INCOME

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Fee and commission Income				
Commission on Turnover	**8,544**	5,955	**8,544**	5,955
Fees and Charges	**24,725**	10,034	**24,725**	10,034
Sale of Cheque Book Charges	**1,036**	680	**1,036**	680
Loan Fee Incomes	**4,038**	5,048	**4,038**	5,048
Guarantees Charges & Commission	**1,322**	413	**1,322**	413
Total Fee and Commission Income	**39,665**	**22,130**	**39,665**	**22,130**
Fee and commission Expense				
Charges for Services	**(2,221)**	(1,095)	**(2,211)**	(1,095)
Total Fee and Commission Expense	**(2,221)**	(1,095)	**(2,211)**	(1,095)
Net Fee and Commission Income	**37,444**	**21,035**	**37,454**	**21,035**

8. NET TRADING INCOME

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Foreign Exchange				
- Translation gains less losses	**18,465**	8,246	**18,464**	8,246
- Transaction gains less losses	**9,531**	4,298	**9,531**	4,298
	27,996	**12,544**	**27,995**	**12,544**

9. OTHER OPERATING INCOME

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Bad debts recovered	**6,672**	2,616	**6,672**	2,616
Dividends from investments	**1,298**	949	**1,298**	949
Other income	**9,884**	14,228	**9,884**	10,928
	17,854	**17,793**	**17,854**	**14,493**

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

10. OPERATING EXPENSES

Operating expenses	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Staff costs (Note 11)	**68,256**	70,951	**68,256**	70,951
Directors' fees	**728**	585	**728**	585
Depreciation and Amortization	**4,857**	2,892	**4,493**	2,892
Occupancy Cost	**16,560**	6,415	**19,448**	6,415
Auditors Remuneration	**160**	85	**160**	85
Donations and Social Responsibility	**1,296**	478	**1,296**	478
Motor Vehicle Running Expenses	**9,128**	4,346	**9,128**	4,346
General & Administrative Expenses	**20,539**	28,388	**20,539**	28,388
Others	**11,460**	8,863	**11,460**	6,061
	132,984	**123,003**	**135,508**	**120,202**

11. STAFF COSTS

Staff costs	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Salaries and wages	**42,988**	42,150	**42,988**	42,150
Pension costs - (Defined contribution scheme to SSNIT)	**4,898**	4,188	**4,898**	4,188
Staff Provident Fund (Defined Contribution Scheme)	**5,640**	4,853	**5,640**	4,853
Staff loans - market rate charge	**4,522**	4,658	**4,522**	4,658
Other staff related costs	**10,208**	15,102	**10,208**	15,102
	68,256	**70,951**	**68,256**	**70,951**

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Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

12. EARNING PER SHARE

Earning per share is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue during the year.

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Earnings (GH¢)	**48,557**	12,118	**43,608**	11,652
	--------	--------	--------	--------
Earnings attributable to ordinary shareholders	**48,557**	**12,118**	**43,608**	**11,652**
	=====	====	=====	=====
Number of shares				
Number of ordinary shares	**25,000**	**25,000**	**25,000**	**25,000**
	=====	=====	=====	=====
Earnings per share	**1.942**	0.485	**1.744**	0.466
	====	====	====	====
Basic (GH¢)	**1.942**	0.485	**1.744**	0.466
	====	====	====	====

There were no potentially dilutive instruments outstanding at the date of the statement of financial position.

13. CASH AND BALANCES WITH CENTRAL BANK OF GHANA

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Cash on hand	**27,875**	20,758	**27,875**	20,758
Balances with Central Bank of Ghana	**53,785**	68,252	**53,785**	68,252
	--------	--------	--------	--------
	81,660	**89,010**	**81,660**	**89,010**
	=====	=====	=====	=====

Mandatory reserve deposits representing 9% of the bank's total deposit are not available for use in the bank's day to day operations and are non-interest bearing.

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Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

14. INVESTMENT IN GOVERNMENT SECURITIES

Held to maturity

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
91-Day Treasury Bill	-	4,000	-	4,000
Treasury Notes	-	8,678	-	8,678
182-Day Treasury Bill	9,858	-	9,858	-
Foreign Bills	244	854	244	854
	10,102	13,532	10,102	13,532

Available for sale

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
2-5 year fixed rate note	200,307	152,392	200,307	152,392
Fair value movements	(867)	-	(867)	-
	199,440	152,392	199,440	152,392
Maturing within 90 days of the date of acquisition	-	4,000	-	4,000
	-	4,000	-	4,000
Maturing within 1-3 years of the date of acquisition	209,543	161,924	209,543	161,924
	209,543	165,924	209,543	165,924

Long term government bonds are classified as Available & for-sale and carried at fair value with the fair value movements recognised directly in equity; whilst short-term treasury bills have been classified as loans and receivables and held at amortised cost.

The weighted average effective interest rate on treasury bills at 31 December 2011 was 16.09% (2010-16.75%) and the rate for treasury bonds at 31 December 2011 was 16.09% (2010-18.72%)

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

15. DEPOSITS AND BALANCE DUE FROM BANKING INSTITUITIONS

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Items in course of collection	**35,465**	23,797	**35,465**	23,797
Nostro account balances	**54,783**	3,851	**54,783**	3,851
Placement with other banks	**-**	7,200	**-**	7,200
	--------	--------	--------	--------
	90,248	**34,848**	**90,248**	**34,848**
	=====	=====	=====	=====

16. INVESTMENT SECURITIES: AVAILABLE FOR SALE

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
At 1 January	**11,212**	6,309	**11,188**	6,309
Additional investments	**8,425**	1,960	**8,450**	1,936
	-------	--------	-------	-------
	19,637	8,269	**19,637**	8,245
Fair value adjustments	**15,521**	2,943	**15,521**	2,943
	--------	---------	--------	--------
At 31 December	**35,158**	**11,212**	**35,158**	**11,188**
	====	=====	=====	=====

17. INVESTMENT IN ASSOCIATES

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Cost of Investment	**1,887**	4,999	**1,887**	4,999
Share of results	**(410)**	775	**775**	775
	-------	-------	------	-------
At 31 December	**1,477**	**5,774**	**1,477**	**5,774**
	====	====	====	====

2011	Cost of Investment GH¢'000	Profit/(Loss) GH¢'000	Interest Held (%)	Share of Result GH¢'000
Activity Venture Finance Company Limited	**1,276**	(556)	**20**	(111)
Agricare Limited	**1**	-	**40.5**	-
Global Access Savings & Loans Limited	**610**	(855)	**35**	(300)
	-------	--------		-----
	1,887	**(1,411)**		**(411)**
	====	=====		===

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Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

17. INVESTMENT IN ASSOCIATES (CONT'D)

2010	Cost of Investment GH¢'000	Profit/ (Loss) GH¢'000	Interest Held (%)	Share of Result GH¢'000
Fidelity Bank Limited	3,112	4,998	20	1,000
Activity Venture Finance Company	1,276	(446)	20	(89)
Agricare Limited	1	(91)	40.5	(37)
Global Access Savings & Loans Limited	610	(282)	35	(99)
	-------	--------		-----
	4,999	**4,179**		**775**
	====	====		===

In 2011, the Bank disposed off its twenty (20%) interest in Fidelity Bank Limited to other existing shareholders and realised a gain of GH¢ 6,088,224 as follows:

	2011 GH¢'000	2010 GH¢'000
Proceeds from sale	**10,200**	-
Carrying value at disposal	**(4,112)**	-
	-------	----
Profit on disposal	**6,088**	-
	====	==

18. INVESTMENT IN SUBSIDIARIES

The principal subsidiaries are:

Name of Business	Country of Incorporation	2011 Amounts Invested GH¢'000	2011 Percentage Interest	2010 Amounts Invested GH¢'000	2010 Percentage Interest
ADB Properties Limited	Ghana	**14,493**	**100**	14,493	100
Jei River Farms Limited	Ghana	-	-	1,151	77.5
		--------		--------	
		14,493		**15,644**	
		=====		=====	

Investments in subsidiaries are stated at cost and comprise:

	Bank 2011 GH¢'000	Bank 2010 GH¢'000	Group 2011 GH¢'000	Group 2010 GH¢'000
Investment in Subsidiaries	**14,493**	15,644	-	-
	=====	=====	==	==

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Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

18. INVESTMENT IN SUBSIDIARIES (CONT'D)

In 2011, the Bank disposed off its controlling interest (77.5%) in Jei River Farms Limited to other existing shareholders and realised a gain of GH¢ 1,561,791 as follows:

	2011 GH¢'000	2010 GH¢'000
Bank		
Proceeds from sale	**2,712**	-
Carrying value at disposal	**(1,150)**	-
	-------	----
Profit at disposal	**1,562**	**-**
	====	==

19. LOANS AND ADVANCES TO CUSTOMERS

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Overdrafts	**250,488**	234,545	**250,488**	234,545
loans	**417,022**	366,907	**417,022**	366,907
Lease receivable	**28,091**	-	**28,091**	-
	----------	----------	----------	----------
Gross loans and advances	**695,601**	601,452	**695,601**	601,452
Provision for impaired loans and advances	**(16,854)**	(24,465)	**(16,854)**	(24,465)
	----------	-----------	-----------	-----------
	678,747	**576,987**	**678,747**	**576,987**
	======	======	======	======

The above constitute loans and advances to customers and staff
Staff loans amounted to GH¢36,368,299 (2010 - GH¢27,118,469.32)
The effective interest rate on loans and advances at 31 December 2011 was 16.75% (2010 - 21.95%).
Loan loss provision ratio is 4.42% of gross advances (2010: 7.74%).
Gross Non-performing loans ratio per Bank of Ghana requirement is 6.68% (2010: 11.82%).
Fifty(50) largest exposures (gross funded and non-funded) to total exposures is 67.95% (2010: 72.26%).

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

19. LOANS AND ADVANCES TO CUSTOMERS (CONT'D)

Loans and advances are carried at amortised cost. There were no loans carried at fair value through profit or loss

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Analysis By maturity				
Maturing:				
Within one year	**328,483**	295,676	**328,483**	295,676
One to Three years	**350,264**	281,311	**350,264**	281,311
	----------	---------	---------	---------
	678,747	**576,987**	**678,747**	**576,9867**
	======	======	======	======

b) Impairment of loans and advances

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
At 1 January	**24,465**	82,262	**24,465**	82,262
Amount Written-off	**-**	(64,483)	**-**	(64,483)
Additional impairment charge during the year	**(7,610)**	6,686	**(7,610)**	6,686
	---------	---------	---------	---------
At 31 December	**16,854**	**24,465**	**16,854**	**24,465**
	=====	======	=====	=====

c) Impairment of loans and advances

Impairment charge	**(7,610)**	6,686	**(7,610)**	6,686
	=====	====	=====	====

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

20. OTHER ASSETS

Other assets	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Advance payment	**338**	4,148	**338**	4,148
Prepayments	**6,614**	5,393	**6,614**	5,393
Stationery Stocks	**1,872**	1,299	**1,872**	1,299
Sundry receivables	**33,803**	22,647	**32,774**	22,647
Others	**30,303**	24,534	**22,977**	21,044
National Fiscal Levy	**629**	977	**295**	382
	----------	---------	---------	---------
	73,560	**58,998**	**64,870**	**54,913**
	======	=====	=====	=====

21. INTANGIBLE ASSETS

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Purchased Software				
Cost				
Balance as at 1st January	**2,811**	1,687	**2,811**	1,687
Acquisitions	**12,590**	1,124	**12,590**	1,124
	--------	--------	---------	---------
Balance as at 31st December	**15,401**	**2,811**	**15,401**	**2,811**
	=====	====	=====	====
Amortisation				
Balance as at 1st January	**2,247**	899	**2,247**	899
Charge for the year	**1,180**	1,348	**1,180**	1,348
	-------	------	-------	------
Balance as at 31st December	**3,427**	**2,247**	**3,427**	**2,247**
	====	====	====	====
Carrying Amounts	**11,974**	**564**	**11,974**	**564**
	=====	====	=====	===

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

22. PROPERTY AND EQUIPMENT

	Land & Building GH¢'000	Computers GH¢'000	Furniture & Equipment GH¢'000	Motor Vehicles GH¢'000	Capital WIP GH¢'000	Leasehold Improvement GH¢'000	Total GH¢'000
Cost/Valuation (Group)							
At 1 January 2010	16,919	10,969	9,856	5,949	267	-	**43,960**
Additions	138	2,314	2,317	116	529	-	**5,414**
Disposal	-	-	-	(1,032)	-	-	**(1,032)**
Write-offs	-	(1,136)	(1,833)	(2,453)	(29)	-	**(5,451)**
	--------	---------	---------	---------	------	----	---------
At 31 December 2010	**17,057**	**12,147**	**10,340**	**2,580**	**767**	**-**	**42,891**
	=====	=====	=====	====	===	==	=====
At January 2011	17,057	12,147	10,340	2,580	767	-	**42,890**
Additions	1,178	4,699	2,238	559	799	4,143	**13,616**
Disposals	(2,614)	(30)	(68)	(412)	-	-	**(3,124)**
Released on disposal of subsidiary	(332)	-	(2,324)	(331)	-	-	**(2,987)**
Transfers	1,037	-	-	-	(1,291)	254	**-**
Write-offs	(1,821)	-	-	-	-	-	**(1,821)**
	--------	---------	---------	-------	-----	-------	---------
At 31 December 2011	**14,505**	**16,816**	**10,186**	**2,396**	**275**	**4,397**	**48,575**
	=====	=====	=====	====	===	====	=====

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

22. PROPERTY AND EQUIPMENT (CONT'D)

	Land & Building GH¢'000	Computers GH¢'000	Furniture & Equipment GH¢'000	Motor Vehicles GH¢'000	Capital WIP GH¢'000	Leasehold Improvement GH¢'000	Total GH¢'000
Depreciation							
At 1 January 2010 (Group)	2,020	6,313	4,763	2,829	-	-	**15,925**
Charge for the year	459	2,487	1,082	509	-	-	**4,537**
Released on Disposal/Revaluation	-	-	-	(613)	-	-	**(613)**
Transfers	-	(99)	-	(1,741)	-	-	**(1,840)**
At 31 December 2010	**2,479**	**8,701**	**5,845**	**984**	**-**	**-**	**18,009**
Depreciation							
At 1 January 2011 (Group)	2,479	8,701	5,845	984	-	-	**18,009**
Charge for the year	363	1,688	992	479	-	304	**3,826**
Released on Disposal/Revaluation	(1,830)	(28)	(68)	(412)	-	-	**(2,338)**
Released on disposal of subsidiary	(182)	-	(1,760)	(241)	-	-	**(2,183)**
Write-off	(42)	-	-	-	-	-	**(42)**
At 31 December 2011	**788**	**10,361**	**5,009**	**810**	**-**	**304**	**17,272**
Net Book Value							
At 31 December 2010 (Group)	**14,577**	**3,446**	**4,495**	**1,596**	**767**	**-**	**24,882**
At 31 December 2011 (Group)	**13,717**	**6,457**	**5,176**	**1,585**	**274**	**4,093**	**31,304**

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

22. PROPERTY AND EQUIPMENT (CONT'D)

	Land & Building GH¢'000	Computers GH¢'000	Furniture & Equipment GH¢'000	Motor Vehicles GH¢'000	Capital WIP GH¢'000	Leasehold Improvement GH¢'000	Total GH¢'000
Cost/Valuation (Bank)							
At 1 January 2010	16,622	10,969	7,689	5,718	267	-	**41,264**
Additions	658	2,314	2,159	16	529	-	**5,676**
Disposal	-	-	-	(1,032)	-	-	**(1,032)**
Transfers	-	-	-	-	-	-	**-**
Transfer to ADB Properties	(17,279)	(1,136)	(1,833)	(2,452)	(29)	-	**(22,729)**
At 31 December 2010	**1**	**12,147**	**8,015**	**2,250**	**767**	**-**	**23,180**
At 1 January	1	12,147	8,015	2,248	767	-	**23,178**
Additions	-	4,699	2,237	559	799	4,143	**12,437**
Disposal	(1,267)	(29)	(68)	(411)	-	-	**(1775)**
Transfers to/from ADB Properties	1,267	-	-	-	(1,036)	-	**231**
Transfers	-	-	-	-	(254)	254	**-**
At 31 December 2011	**1**	**16,817**	**10,184**	**2,396**	**276**	**4,397**	**34,071**

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

22. PROPERTY AND EQUIPMENT (CONT'D)

	Land & Building GH¢'000	Computers GH¢'000	Furniture & Equipment GH¢'000	Motor Vehicles GH¢'000	Capital WIP GH¢'000	Leasehold Improvement GH¢'000	Total GH¢'000
Depreciation							
At 1 January 2010 (Bank)	1,852	6,313	3,351	2,673	-	-	**14,189**
Charge for the year	146	2,487	733	424	-	-	**3,791**
Released on Disposal/Revaluation	-	-	-	(612)	-	-	**(612)**
Transfers	(1,998)	(99)	-	(1,741)	-	-	**(3,838)**
At 31 December 2010	**-**	**8,701**	**4,084**	**744**	**-**	**-**	**13,529**
Depreciation							
At 1 January 2011 (Bank)	-	8,701	4,084	742	-	-	**13,529**
Charge for the year	-	1,688	992	479	-	304	**3,464**
Released on Disposal/Revaluation	(669)	(28)	(68)	(411)	-	-	**(1,177)**
Transfers	669	-	-	-	-	-	**669**
At 31 December 2011	**-**	**10,361**	**5,008**	**812**	**-**	**304**	**16,484**
Net Book Value							
At 31 December 2010 (Bank)	**1**	**3,446**	**3,930**	**1,505**	**767**	**-**	**9,651**
At 31 December 2011 (Bank)	**1**	**6,457**	**5,177**	**1,585**	**275**	**4,093**	**17,587**

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

22. PROPERTY AND EQUIPMENT (CONT'D)

Disposal Schedule (Bank)

	Land & Building GH¢'000	Computers GH¢'000	Furniture & Equip't GH¢'000	Motor vehicles GH¢'000	Total GH¢'000
Cost	1,267	29	68	411	**1,775**
Accumulated depreciation	(669)	(28)	(68)	(411)	**(1,176)**
	------	----	-----	------	-------
Net book value	598	1	-	-	**599**
Proceeds	3,375	-	44	141	**3,560**
	------	---	---	----	-------
Profit/(Loss)	**2,777**	**(1)**	**44**	**141**	**2,961**
	====	==	==	==	====

Disposal Schedule (Group)

	Land & Building GH¢'000	Computers GH¢'000	Furniture & Equip't GH¢'000	Motor vehicles GH¢'000	Total GH¢'000
Cost	2,614	29	68	411	**3,122**
Accumulated depreciation	(1,830)	(28)	(68)	(411)	**(2,337)**
	------	----	-----	------	-------
Net book value	784	1	-	-	**785**
Proceeds	6,259	-	44	141	**6,444**
	------	---	---	----	-------
Profit/(Loss)	**5,475**	**(1)**	**44**	**141**	**5,659**
	====	==	==	==	====

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

23. CUSTOMER DEPOSIT

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Savings Deposits	**157,856**	119,036	**157,856**	119,036
Demand and Call Deposits	**487,579**	297,780	**487,579**	297,780
Fixed/Time Deposits	**182,283**	119,263	**182,283**	119,263
	----------	----------	----------	----------
	827,718	**536,079**	**827,718**	**536,079**
	======	======	======	======

Customer deposits **Maturity analysis of customer deposits**	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
From Government and parastatals:				
Payable within 90 days	**4,678**	12,330	**4,678**	12,330
Payable after 90 days and within one year	**-**	186,288	**-**	186,288
	--------	----------	-------	----------
	4,678	**198,617**	**4,678**	**198,617**
	--------	----------	--------	----------
From Private Sector and individuals:				
Payable within 90 days	**254,794**	185,644	**254,794**	185,644
Payable after 90 days and within one year	**568,247**	151,818	**568,247**	151,818
	----------	-----------	----------	-----------
	823,041	**337,462**	**823,041**	**337,462**
	----------	-----------	---------	----------
At 31 December	**827,719**	**536,079**	**827,719**	**536,079**
	======	======	======	======

ADB AGRICULTURAL DEVELOPMENT BANK Agric and more...

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

24. BORROWED FUND

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Other Financial Institutions	**111,976**	53,914	**111,976**	53,914
Central Bank of Ghana	**586**	722	**586**	722
Government of Ghana	**38,281**	37,872	**38,281**	37,872
Overnight Borrowing	**10,544**	128,892	**10,544**	128,892
	---------	---------	---------	---------
	161,387	**221,400**	**161,387**	**221,400**
	======	======	======	======

25. INTEREST PAYABLE AND OTHER LIABILITIES

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Interest Payable	**3,384**	1,803	**3,384**	1,803
Payables	**25,391**	34,061	**23,020**	34,061
Accruals	**14,084**	68,384	**14,082**	64,881
	-------	---------	---------	----------
	42,859	**104,248**	**40,487**	**100,745**
	====	======	=====	======

26. STATED CAPITAL

Stated Capital is made up as follows:	2011		2010	
	No. of Shares	Proceeds GH¢'000	No. of Shares	Proceeds GH¢'000
Issued for Cash	**900,352**	450	**900,352**	450
For Consideration other than cash	**638,772**	320	**638,772**	320
Transfer from Income Surplus	**23,460,876**	74,230	**23,460,876**	49,230
	-------------	---------	-------------	--------
	25,000,000	**75,000**	**25,000,000**	**50,000**
	========	=====	========	=====

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

27. NOTES TO THE STATEMENT OF CASH FLOWS

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Reconciliation of profit before taxation to cash generated from operations				
Profit before taxation	**51,113**	12,763	**45,903**	12,265
Adjustments for:				
Depreciation and Amortization	**4,857**	2,892	**4,494**	2,892
Change in provision	**(7,610)**	6,686	**(7,610)**	6,686
(Gain)/loss on disposal of property and equipment	**(5,656)**	(801)	**(2,961)**	(801)
Share of Post-tax (Profit)/Loss of Associated Company	**411**	(775)	**411**	(775)
(Profit)/Loss from Disposal of Associate Companies	**(6,088)**	-	**(6,088)**	-
(Profit)/Loss from Disposal of Subsidiary	**(1,562)**	-	**(1,562)**	-
Movement in PPE	**1,570**	(6,829)	**439**	9,017
	--------	--------	---------	--------
Profit before working capital changes	**37,035**	13,929	**33,026**	29,284
(Increase) /decrease in loans & advances	**(94,149)**	(190,233)	**(94,149)**	(190,233)
(Increase)/decrease in other assets	**(14,972)**	(17,801)	**(10,367)**	(13,716)
Increase/(decrease) in customer deposits	**291,639**	110,935	**291,639**	110,935
Increase/(decrease) in interest payable & other liabilities	**(51,045)**	7,917	**(49,912)**	4,414
	------------	----------	---------	-----------
Cash generated from operations	**168,508**	**(75,246)**	**170,237**	**(59,316)**
	======	=======	======	=======

Analysis of the balances of cash and cash equivalents	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Cash & balances with Bank of Ghana	**81,660**	89,010	**81,660**	89,010
Government securities	**209,543**	165,924	**209,543**	165,924
Deposits and balances due from banking institutions	**90,248**	34,848	**90,248**	34,848
	----------	----------	----------	----------
	381,451	**289,782**	**381,451**	**289,782**
	=====	======	======	======

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments with maturities less than three months.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

28. CONTIGENCIES AND COMMITMENTS INCLUDING OFF BALANCE SHEET ITEMS

In common with other banks, the bank conducts business involving acceptances, guarantees, performances and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. The group also holds certain securities in its own name on behalf of customers. The values of these securities are not recognised in the consolidated balance sheet.

Letters of credit commit the group to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Guarantees are generally written by a bank to support performance by a customer to third parties. The group will only be required to meet these obligations in the event of customer's default.

Contingencies and commitments not provided for in the financial statements as at 31st December 2011 in respect of the above amounted to GH¢163.7 million (2010: GH¢144.3 million) , as detailed below:

	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Letters of credit	**32,170**	30,253	**32,170**	30,253
Guarantees and Indemnities	**131,323**	114,065	**131,323**	114,065
	----------	----------	----------	----------
	163,493	**144,318**	**163,493**	**144,318**
	======	======	======	======

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011

28 CONTINGENCIES AND COMMITMENTS INCLUDING OFF BALANCE SHEET ITEMS (CONT'D)

Capital Expenditure

Capital commitments not provided for in the financial statements as at 31st December 2011 was nil (2010: nil).

Pending Legal Claims

At the year end there were twenty nine (29) legal cases pending against the bank. Should judgment go in favour of the plaintiffs, likely claims against the bank have been estimated at GH¢ 3,226,038. No provisions have been made in the financial statements in respect of these amounts.

Funds Under Management

Investments and funds being managed by the Group on behalf of clients amounting to GH¢ 9.62 million (2010: GH¢ 9.06 million)

29 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions, or one other party controls both. The Bank is jointly owned by the Government of Ghana and Financial Investment Trust with holdings of 51.8% and 48.2% respectively.

At 31 December 2011, the Bank held GH¢ 209,542,687 (2010: GH¢ 165,924,199) in Government Securities (refer to note 14) and had an exposure of GH¢28,835,222 (2010: GH¢ 25,316,614) as part of Loans and advances to customers owed by the National Youth Employment program (NYEP).

Subsidiaries

Details of principal subsidiaries are shown in Note 18.

Associated Company

The Group provides certain banking and financial services to its associated company. These transactions are conducted on similar terms to third-party transactions.

Details of investments in associated company is provided in Note 17.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

Management compensation

The remuneration of directors and other members of key management during the year were as follows:	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Salaries	**3,952**	2,912	**3,952**	2,912
Allowances	**2,866**	1,357	**2,866**	1,357
	------	-------	-------	-------
	6,818	**4,269**	**6,818**	**4,269**
	====	====	====	====

29. RELATED PARTY TRANSACTIONS – (CONT'D)

Directors' remuneration	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Fees for services as directors	**728**	**585**	**728**	**585**
	===	===	===	===

Loans

No loans or advance was granted to companies in which Directors have an interest in 2011. (2010; nil)

No provisions have been recognised in respect of loans to directors or other members of key management personnel (or any connected person)

Interest rates charged on loans to staff are at rates below that would be charged in an arm's length transaction. These loans are secured over the assets financed of the respective borrowers.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been mode for impairment losses on balances with key management personnel and their immediate relatives at the period end.

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

30. DEFINED CONTRIBUTION PLAN

Defined contribution obligations	Group 2011 GH¢'000	Group 2010 GH¢'000	Bank 2011 GH¢'000	Bank 2010 GH¢'000
Contributions to the statutory defined contribution pension scheme, the National Social Security Fund	**4,898**	4,188	**4,898**	4,188
Provident Fund	**5,640**	4,853	**5,640**	4,853
	-------	-------	---------	-------
	10,538	**9,041**	**10,538**	**9,041**
	=====	====	=====	====

31. ASSETS PLEDGED AS SECURITY

As at 31 December 2011, there were no assets pledged to secure liabilities.

32. SOCIAL RESPONSIBILITY

Amounts spent on social responsibility amounted to GH¢1,295,518 (2010: GH¢605,725) which excludes building for the 2010 National Best Farmer of GH¢98,000 (2010: GH¢75,000).

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

33 PRIOR YEAR RESTATEMENT

(a) Income Recognition

In 2010 the bank identified that it had undercharged interest on a number of loan accounts in prior years. The total amount of GHC 33,669,515 was recognised in the profit and loss account for 2010 in respect of the undercharged interest. Since the bank did not earn the full amount in 2010, the amount has been apportioned between those relating to 2010 and those relating to prior years by restating the financial statements of 2010 as follows:

	Apportionment GH¢'000
2002-2009	20,584
2010	13,086

	33,670
	======

	Effect on 2009 GH¢'000
Statement of financial position	
Increase in loans and advances	20,584

Increase in equity	**20,584**
	======

	Effect on 2010 GH¢'000
Statement of comprehensive income	
Decrease in interest income	(20,584)
Decrease in National Fiscal Stabilisation Levy	1,029

Decrease in profit	**(19,555)**
	======
Statement of financial position	
Decrease in loans and advances	(20,584)
Increase in National Fiscal Stabilisation Levy	1,029

Decrease in equity	**(19,555)**
	======

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

33. PRIOR YEAR RESTATEMENT (CONT'D)

(b) Investments in Associates and Subsidiaries

In 2010, the bank's investments in associates and subsidiaries were incorrectly classified as Investment Securities available for sale with changes in fair value recognised through equity as at 31 December 2010 though the bank held signficant and controlling interest in these entities. The 2010 financial statements have been restated as follows:

	Effect on 2010 GH¢'000
Statement of comprehensive income	
Increase in bank's share of associates profit	775
Increase in National Fiscal Stabilisation Levy	(39)

Increase in profit	**736**
	===
Statement of financial position	
Decrease in Investment in Other Securities	(20,643)
Increase in Investment in Associates	4,999
Increase in Investment in Subsidiaries	15,644
Decrease in AFS reserves	(3,326)

Decrease in equity	**(3,326)**
	=====

(c) LONG OUTSTANDING BALANCES

During the period, certain long outstanding items dating as far back as 2002 relating to Cash and bank balances with BOG, sundry debtors and sundry creditors balances were identified. Due to the high probability of the unrecoverability of these outstanding items, provisions have been made on these balances in the financial statements by restating the 31 December 2009 and 31 December 2010 financial statements as follows:

	Effect on 2009 GH¢'000
Statement of financial position	
Decrease in Cash and bank balances with BOG	3,628
Decrease in Sundry Creditors	(11,848)
Decrease in Sundry Debtors	40,871

Decrease in equity	**32,651**
	======

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2011

33. PRIOR YEAR RESTATEMENT (CONT'D)

Statement of comprehensive income	
Increase in other expenses	(1,871)
Decrease in National Fiscal Stabilisation charge	94

Decrease in profit	**(1,777)**
	=====

	Effect on 2009 GH¢'000
Statement of financial position	
Decrease in Cash and bank balances with BOG	(626)
Decrease in Sundry Creditors	1,155
Decrease in Sundry Debtors	(2,400)
Decrease in National Fiscal Stabilisation levy	94

Decrease in equity	**(1,777)**
	=====

34. NATIONAL FISCAL STABILISATION LEVY

The National Fiscal Stabilisation Levy Act, 2009, became effective from 1 July 2009 to December 2011. Under the Act, an additional 5% levy will be charged on profit before tax and is payable quarterly.

35. REGULATORY DISCLOSURES

(i) Non–Performing Loans Ratio

Percentage of gross non-performing loans ("substandard to loss") to total credit/advances portfolio (gross): 6.68% (2010: 11.82%).

(ii) Capital Adequacy Ratio

The capital adequacy ratio at the end of December 2011 was calculated at approximately 10.76% (2010: 6.52%).

(iii) Regulatory Breaches

There were no breaches with respect to statutory requirements.

ADB Branch Network

HEAD OFFICE

37 Independence Avenue
P. O. Box 4191, Accra
Tel: (030) 2770403, 2762104, 2783122, 2784394
Fax: (030) 2784893, 2770411
E-mail: adbweb@agricbank.com
Website: www.adb.com.gh
Toll-free: 0800-10034

ZONAL OFFICES

1. **Retail Performance Monitoring – Central Zone**
P. O. Box 3841 Kumasi
Tel: 032-2045262, 2045260
Tel (Legal Dept): 032- 2045268
Tel (Corporate Banking): 032-2045273
Tel (DFU):032-2045265
Fax: 032-2045270

2. **Retail Performance Monitoring – Southern Zone**
P. O. Box DS2270, Dansoman
Tel: 030 – 2220993, 2230440, 2230439
Fax: 030 - 2220993

3. **Retail Performance Monitoring – Northern Zone**
P. O. Box 376, Tamale
Tel: 037-2022629/2022938
Fax: 037- 2023634

BRANCHES & AGENCIES

ASHANTI REGION

1. **Ashanti Bekwai Branch**
PMB, Ashanti Bekwai
Tel: 032- 2420315, 2420357
Fax: 032- 2420315

2. **Ejura FLO**
c/o P. O. Box 3841, Kumasi
Tel: 032 - 2322042

3. **Kumasi-Adum Branch**
P. O. Box 3841, Kumasi
Tel: 032- 2039854, 2031537, 2021521, 2024333
Fax: 032-2026215

4. **Kumasi-Amakom Branch**
P. O. Box AH 9428, Kumasi
Tel: 032- 2049576, 2049579, 2032982
Fax: 032- 2049577

5. **Kumasi-Central Market Branch**
P. O. Box R-204, Kumasi
Tel: 032- 2033461, 2033455, 2033914, 2033913
Fax: 032- 2033465

6. **Kumasi-Nhyiaeso Branch**
P. O. Box AH9428, Kumasi
Tel: 032- 2039752, 2190006
Fax:

7. **Kumasi-Nhyiaeso Executive Banking**
P. O. Box AH 9428, Kumasi
Tel: 032- 2190008, 2035460
Fax: 032- 2035461

8. **Kumasi-Prempeh II St. Branch**
P. O. Box KS 8494, Kumasi
Tel: 032- 2045263, 2045275, 2045276
Fax: 032- 2045269

9. **New Edubiase Branch**
P. O. Box 33, New Edubiase
Tel: 033- 2194674, 2192202

10. **Obuasi Branch**
Private Mail Bag, Obuasi
Tel: 032- 2540701, 2540700
Fax: 032- 2540672

BRONG-AHAFO REGION

11. **Atebubu Branch**
P. O. Box 18, Atebubu
Tel: 032-2099568, 032-2099574
Fax: 035- 2622026

12. **Berekum Branch**
P. O. Box 209, Berekum
Tel: 035- 2222104, 2222153, 2222507
Fax: 035- 2222104

13. **Dormaa Ahenkro Branch**
PMB, Dormaa Ahenkro
Tel: 035- 2322037, 2322165
Fax: 035- 2322251

14. **Goaso Branch**
P. O. Box 72, Goaso
Tel: 035- 2091918, 2094370, 024- 4312134

15. **Kenyasi Branch**
P. O. Box KN2, Kenyasi
Tel: 035- 2094858, 2094859

16. **Kwapong Branch**
Private Mail Bag, Kwapong
Tel: 035- 2192102, 2192033

17. **Nkoranza Branch**
P. O. Box 70, Nkoranza
Tel: 035- 2092074, 2097313

18. **Sunyani Branch**
P. O. Box 110, Sunyani
Tel: 035-2027192, 2027075

19. **Techiman Branch**
P. O. Box 16, Techiman
Tel: 035- 2091080, 2091686, 2091312

20. **Techiman Agency**
P. O. Box 16, Techiman
Tel: 035-2091312
Fax: 035- 2522304

CENTRAL REGION

21. **Agona Swedru Branch**
P. O. Box 200, Agona Swedru
Tel: 033- 2020348, 2020522
Fax: 033-2021683

22. **Assin Fosu Branch**
P. O. Box 151, Assin Fosu
Tel: 033- 219220, 2192203, 2192205

23. **Buduburam Agency**
c/o P. O. Box 11957, Kaneshie
Tel: 030- 2277092, 2277109

24. **Cape Coast Branch**
P. O. Box 160, Cape Coast
Tel: 033- 2132834, 2132836, 2132563
Fax: 033- 2132836

25. **Kasoa Branch**
P. O. Box 4191, Accra
Tel: 030-2863346, 2863347, 020-7848993
Fax:030- 2863347

26. **Mankessim Branch**
PMB MK 286, Mankessim
Tel. 034-2093015

27. **UCC Branch**
P. O. Box 160, Cape Coast
Tel: 033- 2131989, 2131806, 2137791
Fax: 033- 2130630

28. **Winneba Agency**
c/o P. O. Box 200
Agona Swedru

EASTERN REGION

29. **Asiakwa Branch**
C/O P. O. Box 4191, Accra
Tel: 030-2962145, 2962144

30. **Juapong Branch**
P. O. Box 31, Juapong
Tel: 034-2091530, 2094299, 2094376

31. **Kade Branch**
P. O. Box KD 234, Kade
Tel: 030- 2963285, 2963286

32. **Koforidua Branch**
P. O. Box 124, Koforidua
Tel: 034- 2022292, 2022739
Fax: 034- 2022292

33. **Nkawkaw Branch**
P. O. Box 86, Nkawkaw
Tel: 034 - 3122041, 3122068, 3122028, 3122457
Fax: 034 – 3122446

34. **Suhum Branch**
P. O. Box 229, Suhum
Tel: 034- 2522373
Fax: 034-2522374

GREATER-ACCRA REGION

35. Abeka La-Paz Branch
P. O. Box 4191, Accra
Tel: 030- 2950925, 028-9535075
Fax: 030- 2244649

36. Accra Makola Branch
c/o P. O. Box 4191, Accra
Tel: 030- 2668265, 2674308, 2675596
Fax: 030- 2668740

37. Accra New Town Branch
P. O. Box 15
Accra New Town
Tel: 030- 2220989, 2220986
Fax: 030- 2220990

38. Achimota Branch
P. O. Box AT 997
Achimota Market, Accra
Tel: 030- 2420038, 2420036
Fax: 030- 2420038

39. Adabraka Branch
P. O. Box 452, Accra New Town
Tel: 030- 2221047, 2242417, 2242420
Fax: 030- 2221047

40. ADB House Branch
P. O. Box 4191, Accra
Tel: 030- 2785473, 2783730
Fax: 030- 2783590

41. Ashaiman Branch
c/o P. O. Box 692, Tema
Tel: 030 – 3308011, 3308063
Fax: 030- 3308094

42. Cedi House Branch
PMB, Ministry Post Office, Accra
Tel: 030- 2662745, 2662519
Fax: 030- 2662951

43. Danquah Circle Branch
P. O. Box 4191, Accra
Tel: 030-2215777

44. Danquah Circle Executive Banking
P. O. Box 4191, Accra
Tel: 030-2215777

45. Dansoman Branch
P. O. Box DS 2270, Dansoman, Accra
Tel: 030- 2312414, 2312415, 2318065, 2311636
Fax: 030- 2318064

46. Gulf House Branch
P. O. Box 4191, Accra
Tel: 030- 2506201, 2506202, 2506203
Fax: 030- 2506220

47. Kaneshie Branch
P. O. Box 11957
Kaneshie, Accra
Tel: 030- 2688399, 2688400, 2688411-14
Fax: 030- 2688415

48. Korkordzor Branch
c/o P. O. Box 11957,
Kaneshie, Accra
Tel: 030- 2853081, 2853083, 2850428, 2850429
Fax: 030- 2850428

49. Madina Branch
P. O. Box 4191, Accra
Tel: 030- 2518455, 2518457
Fax: 030- 2518456

50. Nima Branch
P. O. Box NM 4, Nima, Accra
Tel: 030-2264510, 2264512

51. Nungua Branch
P. O. Box 875, TNE, Accra
Tel: 030- 2712660, 2717078, 2717079
Fax: 030- 2717078

52. Osu Branch
P. O. Box 2502, Osu, Accra
Tel: 030- 2782385, 2779696
Fax: 030- 2782386

53. Ring Road Central Branch
P. O. Box 01557, Osu, Accra
Tel: 030- 2228121, 2229110, 2239409
Fax: 030- 2227280

54. Spintex Road Branch
P. O. Box 4191, Accra
Tel: 030- 2816212, 2816213, 2816215
Fax: 030- 2816214

55. Tema Branch
P. O. Box 692, Tema
Tel: 030- 3216100, 3204305, 3203371, 3206396
Fax: 030- 3203372

56. Tema-Mankoadze Agency
P. O. Box 875, Tema
Tel: 030-3204756, 3200041

ADB
AGRICULTURAL DEVELOPMENT BANK
Agric and more...

57. Teshie Branch
P. O. Box TNE 875, Accra
Tel: 030- 2712549, 2712664
Fax: 030- 2712549

NORTHERN REGION

58. Bole Branch
P. O. Box C/O ADB, Bole
Tel: 037-2092172/2092170

59. Buipe Branch
P. O. Box 376, Tamale
Tel:037-2092171
Fax:N/A

60. Savelugu Branch
C/o P. O. Box 376, Tamale
Tel: 037-2095822, 2095820

61. Tamale-Aboabo Branch
P. O. Box 376,
Tamale
Tel: 037- 2026242, 2023700
Fax: 037- 2026242

62. Tamale-Kaladan Branch
P. O. Box 376,
Tamale
Tel: 037-2202214
Fax: 037-2202214

63. Tamale-Kaladan Executive Banking
P. O. Box 376, Tamale
Tel: 037-2202214
Fax: 037-2202214

64. Tamale-Main Branch

P. O. Box 376,
Tamale
Tel: 037- 2022629, 2022938, 2027339
Fax: 037- 2023634

65. Walewale Branch
P. O. Box 19,
Walewale
Tel: 037-2095818, 2095816
Fax: 037-2095818

66. Yendi Branch
C/o P. O. Box 376,
Tamale
Tel: 0244512604, 0244215539, 0240665189

UPPER-EAST REGION

67. Bawku Branch
P. O. Box 85, Bawku
Tel: 038- 2222330, 2222298, 2222299
Fax: 038- 2222330

68. Bolgatanga Branch
P. O. Box 159, Bolgatanga
Tel: 038- 2022321, 2022439, 2022172,
2022178
Fax: 038- 2023443

69. Navrongo Branch
P. O. Box 47, Navrongo
Tel: 038- 2122200, 2122204, 2122010

UPPER-WEST REGION

70. Tumu Branch
C/o P. O. Box 130, Wa
Tel: 039- 2022869

71. Wa Branch
P. O. Box 130, Wa
Tel: 039- 2022095, 2022090, 2022342
Fax: 039- 2022090

VOLTA REGION

72. Denu Branch
P. O. Box 31, Denu
Tel: 036- 2530612, 2530313, 2530613
Fax: 036- 2530612

73. Ho Branch
P. O. Box HP 1277, Ho
Tel: 036- 2028250, 2028284, 2028289
Fax: 036- 2028274

74. Hohoe Branch
P. O. Box 143, Hohoe
Tel: 036- 2722027, 2722008
Fax: 036-2722951

75. Kpando Branch
P. O. Box 10, Kpando
Tel: 036-2350939, 2350941, 2350942
Fax: 036-2350940

76. Kpeve Branch
c/o P. O. Box 10, Kpando
Tel. 036-2095097

77. **Nkwanta Branch**
P. O. Box 40, Nkwanta
Tel: 054-4338198, 054-4338199

78. **Sogakope Branch**
Private Mail Bag, Sogakope
Tel. 036-2095710, 028-9556697
Fax: 036-2095710

79. **Vakpo FLO**
c/o P. O. Box 27
Hohoe

WESTERN REGION

80. **Agona Nkwanta Branch**
P. O. Box 19, Agona Nkwanta
Western Region
Tel: 030-2962148

81. **Bonsu Nkwanta Branch**
c/o P. O. Box 3841, Kumasi
Tel. 032-2190715

82. **Enchi Branch**
c/o P. O. Box 3841, Kumasi
Tel: 031 - 2622124
Fax: 031 - 2622082

83. **Sefwi Essam Branch**
c/o P. O. Box 3841, Kumasi
Tel: 024-0813416

84. **Sefwi Wiawso Branch**
P. O. Box 108, Sefwi Wiawso
Tel: 024-3081183, 031- 2092093/2094487

85. **Takoradi Branch**
P. O. Box 600, Takoradi
Tel: 031- 2029049, 2029060, 2029068, 2029080, 2028488
Fax: 031-2029060

CORRESPONDENT BANKS ABROAD

Bank	Currency
Bankers Trust Company P. O. Box 318 Church St. Station, New York N.Y. 10008, USA	**USD**
BHF-BANK P. O. Box 110311, Brockenheimer Landstrasse 10 D-600 Frankfurt 1, Germany	**EURO**
Citibank N.A. European Trade Finance Group Cotton Centre, Hays Lane London SE1 2BX United Kingdom	**USD**
Citibank, N.A. 111 Wall Street, New York N.Y. 10043, USA	**USD**
Commerzbank AG International Bank Relations Neue Mainzer Strass 32-36 Frankfurt AM Main, Germany	**EURO**
Ghana International Bank 69 Cheapside Street London EC2 2BB United Kingdom	**USD** **EURO** **GBP**

Notes